Austria .... Sch. 18	Indonesia .... Rp 2500	Portugal .... Esc 75
Bahrain .... Din 0.650	Italy .... L 1100	S. Arabia .... Rls 5.00
Belgium .... BFr 38	Japan .... Y 500	Singapore .... S$ 4.10
Canada .... C$2.00	Jordan .... Fils 500	Spain .... Pta 100
Cyprus .... Mils 600	Kuwait .... Fils 500	Sri Lanka .... Rup 30
Denmark .... Dr 7.25	Lebanon .... L 6.00	Sweden .... Skr 6.50
Egypt LE1.00	Luxembourg .... LFr 38	Switzerland .... SFr 2.00
Finland .... Fmk 5.50	Malaysia .... Rm 4.25	Taiwan .... NT$ 35
France .... FFr 6.00	Mexico .... Pes. 300	Tunisia .... Din 0.650
Germany .... DM 2.20	Morocco .... Dh 6.00	Turkey .... L 180
Greece .... Dr 60	Netherlands .... Fl 2.50	U.A.E. .... Dh 6.50
Hong Kong .... HK$ 12	Norway .... Nkr 6.00	U.S.A. $1.50
India .... Rup. 15	Philippines .... Pes. 20	

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,294 — Tuesday April 10 1984 — D 8523 B

U.S. unions struggle to stop the rot, Page 18

NEWS SUMMARY

GENERAL

Managua takes US to World Court

Nicaragua yesterday went ahead with World Court proceedings against the U.S. for allegedly secretly plotting the overthrow of its government.

This followed a U.S. announcement that it would not accept the court's jurisdiction in Central American disputes for two years, a surprise move expected to provoke an outcry from opponents of President Reagan's policies in the region.

Nicaragua's action came after disclosures in Washington that the CIA had for months been directing mining operations against Nicaraguan ports. A country can refuse to be judged by the World Court, but only before a case is brought against it. Page 20

Shuttle delay

A second try by U.S. space shuttle astronauts to catch a disabled satellite was put off until tomorrow.

Rally for Rio

A rally in Rio de Janeiro today, the climax to a nationwide campaign for direct presidential elections in Brazil, is expected to draw half a million.

Zia will not run

Pakistan's military ruler, Gen Mohammad Zia ul-Haq, said he would not run for President in elections promised for next March, and thought those who sought authority were hypocrites.

Mine leaders held

Three senior officials of the British miners' union were arrested during picketing, on the eve of an emergency parliamentary debate on the police role in the mining dispute. Page 10

Rebels claim victory

Eritrean guerrillas said they warded off a big Ethiopian Government attack on their positions near the northern city of Keren.

Museum reshuffle

The director and deputy director of Budapest's Museum of Fine Arts have been replaced after the theft of seven paintings. The works were recovered in January.

East German flees

An East German man escaped across the Berlin Wall under fire, but his companion failed to reach the West with him. **Bonn seeks freer travel, Page 3**

Dutch racism move

The Anne Frank Foundation of Amsterdam asked the courts to ban a policy document of the extreme-right Centrum party saying that violence against foreigners may be legal and justifiable.

Basques ask pardon

More than 40 convicted Basque separatist guerrillas asked the Spanish Government for a pardon, after pledging to abandon violence and respect democracy.

Olympic protest

The Soviet Union accused the U.S. of campaigning to stop it competing in the Los Angeles Olympics and called for an emergency International Olympic Committee meeting. **Korean split, Page 4**

Doctors work on

Australian doctors dropped plans to strike in protest at government plans to fix fees, allowing the implementation of Medicare health service plans. Page 4

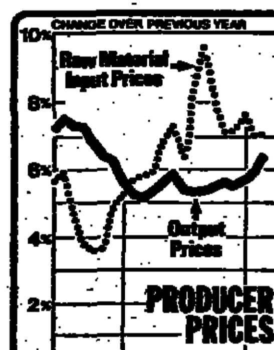
BUSINESS

IG Metall split on strike action

IG METALL, West German engineering workers' union, yesterday failed to agree on strike action to back its claim for a 35-hour week. After five hours of talks in Frankfurt brought divisions, the union executive put off a decision until today. A strike ballot is now unlikely before Easter. Page 3

MORGAN GRENFELL, London merchant bank, took a 29.9 per cent holding in stockjobbing firm Pinchin Denny and plans to take full control as soon as possible. Page 10; Lex, Page 20

BRITISH producer price index rose 1 per cent between February and March for an annual rise of 6.4 per cent, an 18-month high, pointing to renewed inflationary pressures. Page 10



DOLLAR recovered from a weak start in London but closed lower at DM 2.62 (DM 2.622), FFr 8.0575 (FFr 8.07), SwFr 2.172 (SwFr 2.175) and Y225.25 (Y225.3). Its trade-weighted index slipped 0.2 to 127. **Page 43**

STERLING improved in London to $1.4315, up 30 points, and to DM 3.7525 (DM 3.7475), FFr 11.53 (FFr 11.525) and Y322.75 (Y322) and was unchanged at SwFr 3.11. Its trade weighting was 80.1 (79.8). **Page 43**

GOLD was up $1.75 in London to $382.75. In Frankfurt it rose $2.25 to $382.5 and in Zurich it was $1 higher at $381.5. **Page 42**

LONDON: FT Industrial Ordinary index rose 1.8 to 867.2. **Report, Page 37; FT share information service, Pages 38-39**

WALL STREET: Dow Jones index was up 1.47 at 1,133.69 before the close. **Report, Page 33; Full share listings, Pages 34-36**

TOKYO: Nikkei Dow index added 56.98 at 10,890.70. The Stock Exchange index was 3.53 higher at 853.34. **Report, Page 33; Leading prices, other exchanges, Page 36**

HIGHS AND LOWS in the FT share information service and associated statistics are changed today from 1983-84 to current year figures.

U.S. INDUSTRIES rejected a $23-a-share offer from Hanson Trust of Britain. A board committee recommended negotiations on a rival leveraged buyout plan involving Kelso, New York investment bank. **Page 31**

MARSH & McLENNAN, world's biggest insurance broker, is to take a $60m extraordinary after-tax charge in the first quarter because of heavy losses in its bond dealing department, "in violation of authorised trading limits." **Page 21**

AUSTRALIAN cabinet approved proposals to lift restrictions on deposit terms for banks and raise the number of foreign exchange dealers.

INDIAN trade deficit came down to 35.58bn rupees ($3.3bn) in the April-December period last year, against 40.6bn rupees a year earlier. **Page 4**

IRI, big Italian state holding group, announced plans to partly privatise 13 of its companies by offering shares on the Milan bourse and to foreign investors. **Page 21**

Britain 'should be able to cope with N. Sea run-down'

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN LONDON

Britain's economic future as North Sea oil starts to run out is a problem "that we ought to be able to take in our stride," Mr Nigel Lawson, Chancellor of the Exchequer, said yesterday.

In a panoramic survey of the effects of oil discoveries on Britain's economy, Mr Lawson provided a major counterblast to the view that the UK faced a dismal future as oil production began to decline, probably starting from next year.

Mr Lawson's speech at the Third Cambridge Conference on International Energy Issues marked the first detailed public statement on this subject by a member of the British Government. He set out a series of reasons for optimism and said that the effects of declining oil output would by no means be a mirror image of the period of rapid build-up since 1975.

The main reasons for this were:

- The decline of North Sea production would be much slower than the rise in production from nothing in 1975 to self-sufficiency in 1980, and to a level last year 60 per cent higher than needed for domestic consumption.

The recent increase in exploration and investment gave grounds for hope that more oil would be discovered, and current gas production should be maintained well into the 1990s, he said.

- The rapid build-up of Britain's overseas investments to a net figure of £40bn (about $57bn at current exchange rates) in 1982 compared with £10bn four years earlier would help Britain's balance of payments as oil exports declined.
- The Government's oil revenues—now £9bn a year—had helped to bring down public borrowing and inflation. This would ease the adjustment process as manufacturing industry rebuilt its trading strength.
- The build-up of oil production had come at a time of major adjustment to lower inflation and a cut in government borrowing. This period of adjustment was now largely over.
- The real price of oil rose 2½ times between 1979 and 1980 just as Britain's oil was coming onstream. This greatly exaggerated the effect of oil riches on the British economy and contributed to a sharp rise in the sterling exchange rate.

The oil price was expected to continue to harden in the coming decade as the flow of oil declined, Mr Lawson said. He clearly intended to suggest that any fall in sterling's exchange rate might be expected to be gradual, as the higher price helped to offset lower output.

Mr Lawson said: "It is reasonable to expect that there will be some return to the traditional trade pattern of a surplus in manufacturing and invisibles offsetting deficits in food, basic materials and, eventually, fuel."

He said this would require some fall in sterling's exchange rate in real terms (after adjusting for inflation in Britain and in other countries). This did not necessarily mean, however, that the nominal exchange rate had to fall.

UK producer prices, Page 10; Recovery in the West Midlands, Page 19

Hawke presses Tokyo over U.S. beef accord

BY COLIN CHAPMAN IN SYDNEY

THE AUSTRALIAN Government is sending Mr John Kerin, the Industry Minister to Tokyo today in an effort to sort out trade problems that have been complicated by Sunday's agreement in Washington to boost U.S. beef and citrus shipments to Japan.

The Canberra Government, which was due to begin beef quota talks with the Japanese, is taking emergency action to seek quick assurances from Japan that its drive to strengthen its own market share will not be affected by Tokyo's accord with Washington to accept more U.S. beef and citrus imports.

The swift Australian reaction is further aggravated by running disputes with the Japanese over coal and other raw materials shipments.

Australia is understood to have conceded that the political row between Washington and Tokyo would probably lead to a U.S. breakthrough in its shipments. Mr Bob Hawke's Government was embarrassed yesterday at the potential effects of the decision because the Prime Minister publicly predicted that Australia would hold its share of the market after his talks in Tokyo with Mr Yasuhiro Nakasone, Japan's Prime Minister, a few weeks ago.

The Washington-Tokyo agreement provides for a 6,900-tonne annual increase in the beef shipment quota, rising from last year's level of 30,800 tonnes to 58,400 tonnes by 1988. Such a rise could boost U.S. shipments to Japan to $800m from existing levels of $500m. Orange shipments, not an issue in Australia should rise by 11,000 tonnes a year from the 1983 level of 82,000 tonnes.

Mr Kerin's mission will seek to explain Australia's fears that its exports will suffer as a result.

Ten years ago Australia provided 90 per cent of Japan's imported beef. In 1984 the share will be about 70 per cent. Under the Washington-Tokyo accord American penetration will rise to about 33.5 per cent from 22 per cent, and Australia's could fall to 60 per cent over the four years.

Australian coal negotiators are in Tokyo seeking to prevent a new round of cuts in prices and contract tonnages. Australian partners in the $500m Blair Athol coal venture, opened in central Queensland at the weekend, are threatening to sue Japanese buyers if they do not honour contract terms.

Our foreign staff adds: Japan's Central Union of Agricultural Co-operatives (Zenchu), said the Government should support domestic beef prices if they fall as a result of the rise in U.S. imports. Zenchu is Japan's most powerful agricultural lobby.

Beef in Japan costs roughly twice as much as in the U.S., and roughly four times as much as in Australia. A contributing factor is the small scale on which Japanese cattle are raised, with an average of seven per cattle-rearing household.

Sales rise boosts Bayer profits

BY JOHN DAVIES IN FRANKFURT

BAYER, the West German chemical and pharmaceutical group, boosted worldwide pre-tax profits by 123 per cent to DM 2.16bn ($827m) last year, with a particularly strong performance in the fourth quarter.

The other major West German chemical groups, BASF and Hoechst, have already reported sharply improved results for last year.

All three chemical groups are expected to raise their dividends, which were slashed after poor results in 1982.

The chemical industry, with motor vehicle manufacturers, has been in the forefront of corporate recovery in West Germany as domestic sales have picked up, backed increasingly by better export markets.

Bayer increased its worldwide sales revenue by 7.2 per cent to DM 37.34bn last year, while the parent company's sales were up 10.2 per cent at DM 14.65bn.

The parent company's fourth-quarter sales were 20.5 per cent ahead of a year earlier, while export sales rose 28.9 per cent higher.

The surge in world pre-tax profits represents a rapid turnround after a 30.9 per cent setback to DM 970m in 1982, when the company was hit by domestic recession and export problems.

The results also amount to an advance in profits in the fourth quarter. After the first three quarters, Bayer reported world pre-tax profits at DM 1.35bn, up 77 per cent.

Pre-tax profits of the parent company, which were put at DM 747m after the first three quarters, reached DM 1.15bn for the whole year, up 55.9 per cent.

Bayer said that the increase in sales revenue last year was almost entirely the result of a bigger volume of sales, rather than price increases.

This led to better use of capacity and more economical production, which had contributed to earnings despite increased raw material costs in the fourth quarter.

Bayer cut its dividend from DM 7 to DM 4 per DM 50 share a year ago, after suffering a relatively severe setback, including the burden of restructuring costs.

Hoechst's dividend was cut from DM 7 to DM 5.50, while BASF reduced its payout from DM 7 to DM 5.

BASF recently reported an increase in group pre-tax profits of 66 per cent to DM 1.68bn, with the parent company's profits up 61.2 per cent at DM 896m.

Hoechst showed a 35.5 per cent recovery in the parent company's pre-tax profits to DM 920m, but has not yet reported group worldwide earnings.

While all three chemical groups had a relatively modest increase in sales revenue in 1982, they lifted world sales last year by between 6.3 and 8.6 per cent.

Mitterrand and Thatcher may meet on budget

BY JOHN WYLES IN BRUSSELS

PRESIDENT FRANCOIS Mitterrand is expected to meet Mrs Margaret Thatcher, the British Prime Minister, shortly for emergency talks following a deterioration yesterday in negotiations on reductions in Britain's EEC budget payments.

According to senior EEC officials, the top-level meeting will be necessary to prevent progress made during and since the Brussels summit last month being lost.

Yesterday, Community foreign ministers had one of their briefest and least productive discussions on the problems, since the UK's search for permanent cuts in its budget payments began 4½ years ago.

M Claude Cheysson, France's External Affairs Minister and President of the Council of Ministers, asked Sir Geoffrey Howe, Britain's Foreign Secretary, if he had any new proposals to make. Sir Geoffrey responded with a suggestion that the European Commission be asked to bring forward a proposed solution.

M Gaston Thorn, President of the Commission, replied that there was little he and his colleagues could usefully do for the moment. After barely 20 minutes the discussion was then closed.

Sir Geoffrey indicated afterwards that public and private discussions might be needed to take the Ten towards final agreement. "We hope to see agreement sooner rather than later, and would hope to find some way of returning to the discussion in the near future rather than the distant future," he said.

The current deadlock reflects to some extent the advances already made towards a solution. Britain's partners have conceded the principle of a long-term cut in the UK's budget payments.

They are prepared to launch the system on the basis of a Ecu 1m ($854m) reduction in the UK's contributions which totalled Ecu 1.9bn ($1.6bn) in 1983.

This, they feel, goes far enough in fundamentally altering the EEC budgetary arrangements for the UK's benefit, and that Mrs Thatcher should recognise their climb-down from previous positions by lowering her demand for a Ecu 1.25m starting reduction in payments.

The Commission's unwillingness to work on a compromise between the positions of the UK and the Nine may well have been influenced by contacts between M Thorn and President Mitterrand when they were both in Culham, Oxfordshire, yesterday for the launch of an EEC nuclear energy research programme.

Lower trade barriers sought, Page 5

Reuters may seek stake in Mercury

BY GUY DE JONQUIERES IN LONDON

REUTERS, the international news-agency and business information group which plans a public flotation next month, is discussing purchasing an equity interest in Mercury Communications, the privately-owned competitor to British Telecom.

The talks began after Barclays Merchant Bank, one of Mercury's three shareholders, decided to sell its 20 per cent stake, and are understood to have reached an advanced stage. Reuters is not expected to take a final decision until after its planned flotation, however.

It is not yet clear whether Reuters plans to acquire all of Barclays Merchant Bank's stake, or what terms the bank is seeking. One possibility thought to have been discussed is the purchase by Reuters of an initial 10 per cent interest, with an option to increase its stake later.

Barclays has invested more than £30m ($43m) in Mercury. The other 80 per cent of the equity is split equally between British Petroleum and Cable and Wireless, both of which are understood to favour Reuters as a co-shareholder.

Reuters, Mercury and its three shareholders all declined to comment yesterday.

The proposed link would undoubtedly be approved by the UK Government, which would like fresh management and financial resources to be injected into Mercury. It also believes it would create a powerful British force in the world market for electronic information services.

An agreement could open the

Continued on Page 20

Mondale and Hart test a fickle market

By Reginald Dale, U.S. Editor, in Philadelphia

"HOW'S business?," asked Walter Mondale, popping his head into Anastasio's fresh seafood store. "Right now, you're ruining it," the proprietor said. It was a bit unfair to a man who can cheerfully don an apron and clean and gut a pike with the skill of a fishmonger, a feat he had graphically demonstrated in a large front page picture in the day's morning paper.

The former Vice-President was slowly fighting his way through Philadelphia's cluttered, open air Italian market, in what has become an almost obligatory ritual for White House candidates campaigning in America's fifth-largest city. His ever-present retinue of harassed secret servicemen, pushy reporters, TV cameramen and campaign workers clogged the traffic, stumbled over sacks of onions and potatoes, and obstructed the market's early morning customers.

Scarcely had he left when a beaming Senator Gary Hart, and his wife, Lee, alighted from another motorcade on precisely the same corner and proceeded to follow Mr Mondale's footsteps down 9th Street. Mr Hart signed autographs, shook a lot of hands, ate a banana, and collected a peach and a slice of melon on his way past the stall where his rival had just admired the sausages. Mysteriously, all the Mondale placards and posters had suddenly vanished, to be replaced by blue and white signs saying "Hart for President."

"I love 'em all," said a grey-haired lady carrying a basket, "but they get in the way of my shopping."

If the market's fickle voters were still divided in their loyalties at the weekend, so was the whole state of Pennsylvania. The latest opinion polls show Mr Mondale narrowly leading Mr Hart by 41 per cent to 36 per cent of people who say that they are certain to vote in today's Democratic primary, with the Rev Jesse Jackson a distant third at 14 per cent.

The Pennsylvania primary marks the unofficial end of the hectic first half of this year's turbulent race for the Democratic presidential nomination. And, as with every major primary since Mr Hart burst on to the scene six weeks ago in New Hampshire, both leading contestants are exceedingly anxious to win. Today's loser will have to live with a highly-publicised defeat for almost three weeks until the second

Continued on Page 20
U.S. union struggle, Page 18

CONTENTS

Fear of persecution and economic persuasion have quietened dissidents

Turkey cracks down on the Kurds

BY DAVID BARCHARD IN ANKARA

AFTER four years of military government, deep and possibly irreversible changes seem to be under way in the once troubled provinces of Eastern Turkey. Incipient Kurdish nationalism has been nipped in the bud by firm rule in the area bordering the Soviet Union, Iran, Iraq and Syria.

The area is economically backward. Until recently the estimated 8m Kurdish speakers, the majority of the population, have lagged decades behind the west of the country. With relatively little industry, there was much less of a middle class than in the rest of Turkey.

Few women can be seen in the streets and the segregation of the sexes makes Western Turkey seem like a feminist paradise. The clan system has not entirely disappeared and tribal chieftains remain powerful. The population of Van backed the pro-military Nationalist Democracy Party in last year's election more strongly than the nation as a whole because senior leaders in the province belong to the NDP. At least one major clan—the Brukhki—has since apparently shifted its support to Mr Turgut Ozal's ruling Motherland Party, but politics in Van still work quite differently from the rest of the country.

Although martial law came to Eastern Turkey about a year before the 1980 military coup, it was not until later that the authorities completed their crackdown against the Kurdish nationalists. Half a dozen groups had sprung up, mostly Marxist, and drew their support from students, teachers, lawyers and trade unionists.

Four years ago Kurdish nationalist graffiti was on walls,

The Kurdish nation has been under attack across its Asian frontiers. In Turkey, the strands of cross-border co-operation have been severed and the bonds of language and culture are growing less strong. The onset of a more comfortable life, less subject to nationalist violence, seems to be attractive to a clannish people.

written in Turkish because only a small number of Kurdish speakers have ever learned to write their language. The major city in the region, Diyarbakir, had a Kurdish Socialist mayor, Mr Mehdi Zana, and it was possible to buy cassettes and newspapers in Kurdish under the counter.

Today Mr Zana is serving a 24-year jail sentence in Diyarbakir. Thousands of other Kurdish nationalists are also in jail and the slogans, the cassettes and the newspapers have gone.

Only a few intellectuals and Leftists in Van and Diyarbakir are now willing to discuss the Kurdish question. Times have never been bleaker; not only is the region under the control of central government as never before, but it looks as if, despite the harshness with which law and order was restored, the local propulation is grateful to the Government for restoring calm.

"We get on perfectly well with the police and the soldiers," one Kurd told me in Van. "Everyone is grateful that there is order here."

Another I spoke to disagreed strongly, however. "The calm is only on the surface," he said, "people are angry at what has been done and in any case, feeling is much stronger in Diyarbakir and Mardin than it is here." But his words sounded like wishful thinking.

He agreed that the measures taken to discourage public use of Kurdish since 1980 had not been widely understood or resented. The 1982 constitution prohibits the use of any language except Turkish for education, broadcasting, or publishing. Any form of regionalist or separatist activity is severely punished.

The restrictions were tightened further in the political parties law and the Press law of 1983.

In part the mood has changed because the Turkish Kurds are now largely cut off from those in Iraq and Iran for the first time. Four years ago, invitations to cross the border could be issued casually, even to foreigners. Now border crossings are dangerous affairs, attempted only at night.

The Government in Iran is in control of its regions, and although the Gulf War has weakened Iraq's hold on its Northern provinces, last May Turkey broke the power of the major Kurdish groups in Iraq, many of whom were fugitives from the Ankara military government with armed incursions into Iraq. A trickle of contacts apparently persists.

The recent modernisation of the area has made striking advances. Shops in Van sell a range of consumer goods and clothing not available a few years ago. There is less abject poverty. The villages, which remain deeply religious and conservative now have electricity, television, telephones and access roads.

The price of restoring order has been high. Reporting restrictions in the area make it impossible to say how high. "I don't know exactly what goes on here myself," said one local journalist. An indication of the cost, however, can be gleaned from news leaking out from Diyarbakir military prison earlier this year that large numbers of political detainees, some reports said as many as 60, were shot dead for rioting in protest at the slowness of their trials.

There was no sign that this incident has aroused widespread nationalist indignation or provided martyrs for the future. The majority of the population in Van seem to take a similar view of politics and national issues as elsewhere in Turkey.

Critics of the Turkish Government's attempts to enforce lingustic and cultural uniformity have to contend not only with the evident apathy of the Kurds of the area, but also with memories from the past.

The Turkish and Kurdish population of Van lives in a city which 100 years ago was largely Armenian. There are still several square kilometres of ruined houses to remind them of the mutual slaughter that took place during World War One and the heavy cost that can be paid when separatist nationalism collides with the power of a state determined to preserve its unity.

● Two Kurdish militants emerge from a hideout in the Eastern Turkish mountains during the 1981 army crackdown.

Military threat to democracy fades in Spain

BY DAVID WHITE IN MADRID

THE SEAT of the provincial military authorities in Madrid is the scene of a court-martial opening today of four army officers accused of plotting Spain's last known coup conspiracy on the eve of the general election in October 1982.

The plot was the 17th *pronunciamiento* in 100 years of Spanish history. In that time only two—the 1923 coup installing the Primo de Rivera dictatorship and the 1936 military uprising which launched the Civil War—met with success.

The "colonels' coup" was defused on October 2 1982, with the arrest of two artillery colonels and the brother of one of them, a lieutenant-colonel, for whom the prosecution is demanding 15-year prison sentences. A 12-year sentence is sought for the fourth defendant, also a lieutenant-colonel. If convicted they will be dismissed from the service.

Prosecution documents allege that the coup, set for October 27, was to have had two prongs: Operation Falcon, in which party offices, newspapers, broadcasting and communications centres, railway stations, Madrid airport and the homes of key officials would be occupied; and Operation Mars, involving the seizure of military headquarters and the naming of a new captain-general in Madrid's first military region to take charge of a country-wide takeover.

The court-martial, held in public, is not expected to last more than a few days. This contrasts with the lengthy proceedings over the coup attempt of February 1981—when there was shooting in the Cortes and tanks in the street in Valencia —which led to 30 jail sentences.

A bigger contrast, however, is the lack of drama surrounding the trial. This is due partly to the relatively low standing of the officers involved, but also to the fact that, while the alleged plot overshadowed the Socialists' arrival in power, Spaniards are now manifestly less worried about the army than they were.

The fading of the military threat can be ascribed to several factors. One is the skill with which the Socialist Government has handled the armed forces, including imposing a more direct chain of command under the minister of defence. In January this year it appointed an admiral to the new post of chief of defence staff and simultaneously replaced the heads of all three services, choosing officers of impeccable reputation.

Second, the clear majority won by the Socialists in 1982 makes it harder for *Golpistas*—advocates of a right-wing coup —to claim to represent a popular will.

Thirdly, the 1981 rebellion gave many officers an unpleasant lesson. The operetta-like image, caught on television, of a Civil Guard with a three-cornered hat and handlebar moustache holding Parliament hostage exposed the Spanish military to international ridicule. The coup attempt also scuttled the idea that an army takeover could obtain legitimacy through King Juan Carlos.

Nevertheless, a rebellious minority still exists, as was shown by the controversy over the stiffer sentences handed down against the 1981 plotters at the Supreme Court appeal last year. Several retired and active officers, including the then captain-general of the Valladolid military region, were disciplined for publicly justifying the coup and demanding pardon for its leaders who are serving 30 year sentences.

Military anger continues to be provoked by the Eta Basque separatist movement, whose victims included a retired general shot in Madrid in January, the seventh general to be assassinated since 1978.

Colonel Jose Ignacio san Martin, who was sentenced to 10 years' prison for his part in the 1981 revolt, said recently that if it were not for Eta the coup attempt would never have taken place.

Though a minority, the extreme right-wingers are still reckoned to be stronger, and certainly better favoured, than professed liberals in the army. The current generation of senior officers all made their careers under Franco, who, while running his armed forces cheaply, created a mystique for the military after the psychological blow received from its defeat in North Africa in 1921.

The idea of giving back the military a sense of mission is one argument used by those Socialists who favour keeping Spain in Nato.

Sr Narcis Serra, the Defence Minister, is in the process of carrying out an ambitious programme for re-equipping and modernising the forces. Conscript service is being cut from 15-18 months to 12-15 months in a plan to reduce the army's strength from 230,000 men eventually to around 150,000. The number of military regions is to be cut from nine to six and top command posts given to less senior officers.

King Juan Carlos: opposed takeover

The number of career soldiers from sergeant upwards is to be reduced from 41,700 to 35,200, with the biggest cuts at the top: lieutenant-generals from 19 to 10, major generals from 51 to 35, brigadier generals from 130 to 98, colonels from 970 to 600.

A top-heavy army, noted for the age of its commanders and its equipment, and deployed according to criteria of internal more than external threats, is thus being reorganised into a trimmer, more professional force. Pay is being raised to match civil service levels.

However, the gulf between the military, with its political training, and the rest of democratic Spain will take longer to bridge. A sobering reminder is to be found at the army museum in Madrid. There, among the Franco mementos, the Nationalist cause in the Civil War is still referred to as "the crusade" and the defeated Republican forces as "the enemy."

Norway MPs to vote on refinery plan

By Fay Gjester in Oslo

NORWAY'S centre-right Government will seek parliament's approval this week for an NKr 4.5bn ($418m) scheme to upgrade and expand the 4m-tonnes-a-year Mongstad oil refinery in the west of the country.

The decision ends a long wrangle within the cabinet and civil service over whether it will pay its way. The 3,000 jobs it will create in an area of high unemployment will be a significant political bonus in next year's general election campaign.

The move has been welcomed by Statoil, the state oil company, which has a 60 per cent stake in the refinery and itself proposed the expansion scheme. Statoil's partner at Mongstad, Norsk Hydro, has said it does not want to participate.

However, Statoil has been defeated over its proposal for a costly oil pipeline to link the Oseberg and Gullfaks fields in the North Sea with a terminal at Mongstad.

The government has decided on a simpler, cheaper scheme to run a line from Oseberg to a terminal at Sture on the island of Alvoy. From there, oil will be moved to Mongstad by tanker.

Austrian budget deficit higher than forecast

By Patrick Blum in Vienna

THE AUSTRIAN Government's gross budget deficit reached Sch 91.1bn (£4.0bn) last year, some Sch 16.8bn higher than expected. Net, the figure was Sch 65.6bn, Sch 17.5bn above expectation and representing 5.5 per cent of gross national product.

The Government blames these results on the effects of the world recession on the economy during the previous three years. Some officials suggest, however, that the larger deficit was inevitable in the absence of preventative measures. With a general election called for the early spring last year, Government action was effectively postponed.

The deficit was exacerbated by lower than expected tax returns.

The new Government has given priority to reducing the budget deficit and accordingly has sought to increase revenues with new and higher taxes as well as cuts in some expenditure. The aim is to bring the net deficit to under 5 per cent of the gross domestic product this year.

FINANCIAL TIMES, USPS No 190640, published daily except Sundays and holidays. U.S. subscription rates $420.00 per annum. Second class postage paid at New York NY and at additional mailing offices. POSTMASTER: send address changes to: FINANCIAL TIMES, 14 East 60th Street, New York, NY 10022.

Radical plan to boost German links

BY LESLIE COLITT IN BERLIN

THE Free Democrat Party (FDP) in West Berlin has proposed a "reunification of people" in East and West Germany to raise East Germany's standard of living with West German help and to enable East Germans to come to West Germany as visitors and not as refugees.

The FDP in West Berlin and in West Germany is the junior coalition partner of Chancellor Helmut Kohl's Christian Democrats (CDU).

The proposal, presented to national leaders of the FDP last weekend, maintains that only if East Germany's standard of living approximates that of its Western neighbour is the widespread desire of East Germans to leave likely to subside. This would open the chances for freer East German travel to the West.

The two countries should conclude a long-term economic agreement, including the formation of a bank in Berlin to conduct all commercial and private payments between them. This would ease East Germany's access to Western financial markets in co-operation with West German banks.

The bank, it is proposed, would administer a fund to help finance structural economic improvements in East Germany and would permit East Germans to exchange their non-convertible Marks at parity with D-Marks when visiting West Germany.

An agreement on travel without visas would permit "every German" to cross the inner-German border with an identity card. Under such conditions the Berlin FDP says it would advocate withdrawing the Bonn Government's "long list of benefits" for East Germans wanting to remain in West Germany. This would be an important concession to East Germany.

The benefits now offered include payments of DM 150 to each adult and DM 75 for each child arriving at refugee centres.

The refugees are automatically classified as unemployed an dthus eligible for the same unemployment benefits as West Germans. They are also given priority when applying for flats at government-subsidised rents.

The proposal envisages that government aid would be given only to those East Germans who would be in acute danger if they returned home or who had no chance of leading a normal life there.

Unlike others made recently the proposal ignores the thorny issue of formally recognising East German citizenship. The CDU has rejected a formal recognition as unconstitutional but is searching for ways for East Germans to be allowed to travel to the West without remaining there.

Bonn seeks freer travel for East Germans

BY JAMES BUCHAN IN BONN

BONN would like a general loosening of travel restrictions in East Germany as a means of stabilising conditions there after the current wave of emigration, according to Chancellor Helmut Kohl's chief adviser on German questions.

Herr Philipp Jenninger, minister of state at the Chancellery, believes that the present emigration—the largest shift of population between the two states since the building of the Berlin Wall in 1961—will halt over the next three months after 15,000-20,000 emigrants have crossed legally.

It is not Bonn's intention to "depopulate" East Germany and Herr Jenninger, along with other members of Herr Kohl's staff, is anxious that fear of a clamp-down is releasing an "avalanche" of applications to leave. One way out of the dilemma, Herr Jenninger thinks, is for East Germany to permit its citizens to travel to the West more easily and without losing their jobs or status.

"Some people just want to visit a grandmother or see Hamburg and then go home," he said.

Herr Jenninger, who took part in talks in Bonn on Friday between Chancellor Kohl and Herr Guenter Mittag, a member of the East German politburo, again warned against too high expectations on either side of the border from what is already known as the "German spring."

President Erich Honecker, of East Germany, is expected to pay an historic visit to the Federal Republic in the autumn—but both sides seem to be careful not to fix a date.

In concrete terms, the East Berlin authorities have given "a firm assurance" that the automatic firing devices along the border will be removed, and "a good third" of the length has been cleared, he said. However, nobody should gain the impression that the border was passable and shots were fired during an escape attempt in Berlin on Sunday.

West Germany's balance of payments was DM 4.1bn (£1.09bn) in surplus in February, compared to DM 163m (£43m) in deficit in January, according to the central bank's figures, AP-DJ reports from Frankfurt. The February surplus compared to one of DM 5.025bn a year earlier. The DM 3.9bn surplus over the first two months of the year compared with DM 6.864bn for the same period last year.

Herr Jenninger, who played a crucial role in Bonn's guarantee for a DM 1bn (£270m) credit to East Berlin last summer, said that this "important signal" had also encouraged East Germany to move quickly in processing the so-called "old cases"—applications to emigrate several years old—which has led to the wave of emigration. East Berlin has also exempted children from the compulsory daily exchange of hard currency by visitors.

But Bonn has no intention of "demanding too much" from East Berlin, which might excite tensions within the ruling hierarchy or with the Soviet Union.

During the delicate run-up to the Honecker visit, Herr Jenninger expects better economic and environmental co-operation. An agreement on cleaning the Weser-Werra river system, which waters both countries, will be signed soon, he said.

He warned, however, that the East Germans cannot expect Bonn to move on three important East Berlin demands, either because Bonn is constitutionally unable to budge or because the matter is in Allied hands. These are a recognition of East German citizenship, the fixing of the border that runs down the Elbe, and the dismantling of a documentation centre on acts of violence by East Germany in Salzgitter, in Lower Saxony.

Athens bows to business over profits control Bill

By Andriana Ierodiaconou in Athens

THE GREEK Commerce Ministry has withdrawn controversial legislation to control trade profit margins and revise existing pricing, distribution and marketing regulations after protest by Greek traders and manufacturers. The Government still plans to set up an import intervention and export trading state agency.

Mr Vassilis Kedikoglou, the commerce minister, said a new Bill regulating profits and trade would be submitted to parliament at an unspecified future date.

"I am convinced that the Government's handling of the matter is correct, but after listening to alternative opinions I have decided to withdraw the legislation and continue the dialogue," Mr Kedikoglou said at the weekend, after a stormy encounter with Greek businessmen at a protest meeting in Athens Thursday.

The decision to compromise on the legislation was reportedly taken by Dr Andreas Papandreou, the Prime Minister personally. He was understood to want to avoid losing the support of Greece's business sector in the run up to the June European elections. These elections are seen in Greece as a confidence vot for Dr Papandrou's Socialist Party, which came to power in 1981.

The ministry move was described as "positive" yesterday by Mr Lazaros Efraimoglou, president of the Athens Chamber of Commerce and Industry. Mr Efraimoglou said that Mr Gerassimos Arsenis, the national economy minister, had approached businessmen with a proposal to set up mixed working groups to discuss problems between the Socialist Government and the private sector.

Italy's clash between good and evil draws a thin crowd

BY JAMES BUXTON IN ROME

IT CERTAINLY did not look like the promised battle between the forces of good and evil. Indeed, the forces of good were nowhere to be seen yesterday at the lower house of the Italian Parliament.

A Communist deputy made an elegant speech to a house that contained only 18 members, almost all of them Communists. The benches occupied by the Christian Democrats, Socialists and other parties of Sig Bettino Craxi's coalition were empty.

There was no need for them to attend. This is the week in which the fate of Sig Craxi's measure cutting the *scala mobile* wage indexation system is due to be decided, but the outcome is virtually certain. It will probably fail to be passed by April 16 because Communists and other opposition deputies have put down 3,233 amendments and are resolved to "talk it out" by each speaking for the maximum 45 minutes.

The only consolation for the government is that it ought to win a vote of confidence on the decree before the final curtain comes down. It can then claim that only ruthless Communist opposition stopped it doing what the country needed.

Yet why all the fuss about a measure which cuts by only three the number of percentage points the threshold on the *scala mobile* index, which determines wage-earners' compensation for price increases this year?

The Communist Party considers the *scala mobile* an essential part of the compensation workers receive for living in a state dominated by the bourgeoisie in which the second largest party (Communist) is effectively barred from power. If the inequitable nature of the worker's lot needed emphasising, a few days ago government statistics showed that in 1981 businessmen again declared a lower income for tax purposes than factory workers.

The price the Communists exact for this state of affairs is an implicit right of veto on important government actions.

The government argues that its cut in wage indexation, combined with price ceilings, will actually produce a small rise in real earnings this year because inflation will drop.

Some experts agree, leading many to think that the real battle is not over workers' wages but between a Communist Party fearful that its vote may be about to decline, and a Socialist Party that is, if in fitful stages, on the way up. With June's European elections approaching, both parties need a success.

The trouble for Sig Craxi is that his Socialists are only one part of his coalition. The much larger partner, the Christian Democrat Party, cannot decide whether it is the party of firm government or of compromise, and whether it wants to see Sig Craxi beat the Communists.

A complex shuffle of posts and responsibilities in the Vatican appears to have confirmed the position of Cardinal Agostino Casaroli, the Secretary of State, writes James Buxton. Archbishop Paul Marcinkus, the U.S.-born head of the Vatican bank and of the commission responsible for the Vatican state, has not been promoted.

Inertia in Nato arms co-operation attacked

By Bridget Bloom, Defence Correspondent in Brussels

A SCATHING attack on the procedures for co-operative arms production within Nato was delivered yesterday by Mr Robin Beard, the newly appointed assistant secretary general of Nato.

He told a symposium on industrial co-operation here of his frustration with the inertia of Nato's bureaucracy and criticised the "lack of management leadership" within the 16-member organisation.

The Committee of Nato Armaments Directors (Cnad) which was founded in 1966 as the leading decision-making body on arms co-operation, had now well over 200 sub-committees with a "very leisurely work rate." Rapid changes in Nato's international staff and in weapon systems requirements meant that too few co-operative projects materialised, while others were seriously delayed.

Mr Beard, who for 10 years was concerned with arms co-operation within the Atlantic Alliance and a member of the U.S. House of Representatives Armed Service Committee, said he was shocked to find that his new Nato Defence Support Division did not have a single word processor and no data base information retrieval system.

However, the ultimate responsibility for the poor state of arms co-operation rested with politicians who too often made "statements of lofty aspirations" which had little impact on performance.

Mr Beard took over the Defence Support Division less than three months ago at a time when Nato is beginning to rethink its strategies if not its structure.

Editorial comment, Page 18

Metal union divided over strike

BY RUPERT CORNWELL IN BONN

GERMANY'S IG Metall engineering workers' union yesterday failed to agree whether to press strike action to further its campaign for a 35-hour working week.

After five hours of fruitless discussion in Frankfurt, the executive put off a decision until today. The delay increases the likelihood that any large strike ballot will not come until after the Easter break.

The main point at issue for the union, which represents 2.5m workers and is easily the country's largest, is what attitude to take to the offer from otherwise intransigent employers of a new round of talks, following last Friday's abortive meeting between the two sides.

To accept, even without great prospect of successful outcome, would at least have the merit for IG Metall of buying time, in which to find a compromise and a way out of the dilemma facing it.

To acquiesce in the employers' insistence on maintaining the 40-hour basic working week would be a severe loss of face for IG Metall's leadership. On the other hand much of the rank-and-file is against an all-out strike.

Meanhile, IG Druck, the militant printing union, yesterday decided to carry out a "flexible" battle in its drive for the 35-hour week. This means in practice that strike ballots at so far unspecified plants will be called, in all probability before Easter.

High Swedish wage deals bring government threat

BY DAVID BROWN IN STOCKHOLM

THE Swedish Social Democratic Government is considering a range of emergency measures, including price controls to salvage its economic policy which is threatened by a series of high wage settlements.

Mr Olof Palme, the Prime Minister, has indicated "growing unease" about the pay deals, most of which break his Government's voluntary 6 per cent guideline which is intended to halve the inflation rate from 7.9 per cent to 4 per cent this year.

Mr Kjell Olof Feldt, the Finance Minister, said at the weekend that the Government is prepared to step in to preserve Sweden's external competitiveness and economic growth.

Precisely what measures the Government may take are unclear. Mr Feldt indicated that price controls must be combined with "other steps" in order to be effective.

Among the measures understood to be under discussion is the requirement that companies register plant price increases a month in advance.

Sweden's economy has performed better than expected after the 16 per cent devaluation in late 1982. The Government's attempt to hold the line on inflation has been complicated by strident union pay demands in the wake of several years of declining real income and in the face of record corporate profits.

Setback for Communists in French poll

By David Marsh in Paris

A FRESH indication of waning electoral support for the junior Communist partner in the French coalition came at the weekend when the party was decisively ousted from its mayoral seat in the traditional left-wing stronghold of Sete on the Mediterranean.

In a re-run of last year's municipal elections, which were judged invalid because of voting irregularities, M Yves Marchand, a member of the UDF opposition party, was confirmed as mayor, beating the previous Communist incombent, M Gilbert Martelli.

M Martelli was beaten into second place last year on a slender majority of 96. Last Sunday, M Marchand swept home with a lead of 1,500, boosting his share of the vote by three percentage points.

The latest Communist setback follows a string of reverses in re-run municipal polls over the past few months, where the party has lost ground above all in the industrialised urban belt around Paris.

Irish jobless down

Unemployment fell last month in Ireland for the first time in nearly five years, writes Brendan Keenan in Dublin. There was a drop of 2,000, leaving 214,000, or 17 per cent of the workforce, unempolyed.

Korea talks break down

BY ANN CHARTERS IN SEOUL

TALKS between North and South Korea on setting up a joint team for the 1984 Los Angeles Olympics collapsed just 2½ hours after they began yesterday when North Korean delegates walked out.

Any hopes that the talks would lead to reduced tension between the two countries were dashed when both sides exchanged bitter accusations over the Rangoon bombing last autumn which killed several South Korea government ministers.

South Korea has repeatedly called for a North Korea apology, but the north has refused to accept responsibility for the bombing despite Burmese government findings that North Koreans were responsible. The North Korean delegates yesterday alleged that South Korean dissidents perpetrated the attack.

There seems little hope of an early resumption of the talks at Panmunjom, on the border between the two countries. North Korean delegates said that before talks could continue Seoul would have to retract accusations that North Korea was responsible for the Rangoon bombing and an alleged kidnapping of a South Korean actress and film director.

South Korea's Agency for National Security Planning accused North Korea last week of kidnapping the two South Koreans and forcing them to make propaganda films idolising the North's leaders.

South Korea's chief delegate Kim Chong-Kyu said that South Koreans could not but be "disappointed and angry by the rudeness and insincerity" of North Korea in walking out. However, the South would wait patiently for another opportunity to establish a dialogue, he said. The two countries held talks on sports matters five years ago in one of the few contacts since the end of the Korean war in 1953.

Four Jews held over attacks

BY LYNNE RICHARDSON IN TEL AVIV

ISRAELI police have arrested four young Jews suspected of 14 grenade attacks against Christian and Moslem sites in and around Jerusalem.

Mr Moshe Alexandroni, spokesman for the Jerusalem police said: "There were two wounded when the booby-trapped grenade blew up in El Azariya, East Jerusalem, and this makes the criminal offence attempted murder."

The four, aged between 22 and 26, are all from the Ein Kerem district of Jerusalem where a convent was one of the targets of a group calling itself TNT, an acronym in Hebrew for "Terror against terror."

● Mr Ariel Sharon, Minister without portfolio, has turned down an appeal by Mr Yitzhak Shamir, the Prime Minister, that he withdraw his candidacy for the Herut Party leadership, which was won by Mr Shamir after Mr Menachem Begin's resignation.

At Sunday's Cabinet meeting, Mr Sharon bitterly accused his colleagues of ganging up against him, after their unanimous refusal of his request for access to secret portions of the Kahan Commission's report dealing with the Sabra and Chatilla massacres. Mr Sharon, then Defence Minister and severely rebuked in the report wanted to use the classified documents to press his libel suit against the U.S. magazine Time.

Don't worry about the noodle stall, but get the vaccine

By Bob King in Taipei

ONE IN FIVE of the inhabitants of Taiwan is a carrier of a deadly disease and one person in 10 will die of it. The symptoms range from none at all, to chronic fatigue and loss of appetite. In some cases, infected persons may become jaundiced and bed-ridden; others may not even know they are ill.

The disease is hepatitis-B, which medical researchers now believe is a prime cause of cirrhosis and liver cancer. Unlike its milder cousin, hepatitis-A, hepatitis-B may never leave a person who has had the disease.

Hepatitis-B is rampant throughout the developing world, from the Philippines to Africa. But of the estimated 200m carriers of hepatitis-B in the world, 75 per cent are Chinese. Throughout the parts of Asia where Chinese predominate, liver cancer ranks as one of the major causes of death. In Taiwan, it is the number-one cancer, compared with number 22 in the U.S.

But both the disease and the cancer may be on their way out, thanks both to research done over the past decade in Taipei, known by some as the hepatitis capital of the world, and to a highly effective vaccine developed by foreign pharmaceutical companies.

Dr R. Palmer Beasley, an American researcher working in Taiwan, who is probably the world's foremost authority on hepatitis, found that as many as 50 per cent of carriers are infected by their mothers at birth, and that such infants stand a 90 per cent chance of becoming carriers themselves.

Later he discovered that doses of vaccine and gamma globulin, a substance containing antibodies, given within a few hours of birth, reduced the transmission rate from 90 per cent to only 5 per cent.

Dr Beasley's discovery that hepatitis-B is caused by a virus and is not a "hippie disease" stemming from dirty needles as earlier medical lore had it, carried implications for cancer research. For he also found that carriers of the hepatitis-B virus were 200 times more likely to die of liver cancer than non-carriers.

That compares with a 25-fold risk among smokers of developing lung cancer, and was enough to cause cancer researchers to reconsider the possibility of a link between viruses and cancers.

Vaccines can be developed against viruses; as the virtual elimination of such killers as smallpox and polio has shown. If viruses are the culprit in a host of cancers, as Dr Beasley and other researchers now strongly suspect, vaccines can be developed to counter them.

The hepatitis-B vaccine, developed independently by Merck and Co of the U.S. and the Institut Pasteur of France, became available commercially in 1981, although tests began here as early as 1979. But its high price — about $100 for three injections — has so far prevented its wide use in Asia.

Taiwan's Development Centre for Biotechnology has now agreed to purchase $4m worth of the vaccine from Institut Pasteur (Production) of France and to pay another $3.3m for Pasteur technology which will allow Taiwan to begin its own manufacture of the vaccine.

The purchase involves 5m micrograms of the Pasteur vaccine which will be administered to newborn infants over the next two years. This amount will be enough to vaccinate 250,000 people — about the same number who die from liver cancer or cirrhosis each year here.

The Centre will begin importing the Pasteur vaccine in June and vaccinations will start in July.

Ending the mother-child link in transmission of the disease reduces the number of carriers geometrically, because children thus vaccinated will not be able to infect others during their lifetimes. Along with the vaccination programme, Dr Beasley has persuaded the Taiwan authorities to begin a project aimed at other sources of infection: sanitation and personal habits.

The deeply-entrenched, well-intentioned habit among Chinese mothers of chewing food before placing it in childrens' mouths may have allowed the disease to take a firm hold among Chinese in the first place, and continues to be a primary cause of transmission today.

Another traditional practice may be harder to dislodge: using chopsticks to eat out of a common dish.

Sexual contact poses probably the highest risk of infection to adults, and carries the major risk of infection for foreigners living in Asia. Don't worry too much about eating at noodle stands, especially if they offer disposable chopsticks, Dr Beasley advises. Above all, remember to get the vaccine.

Egypt instals new financing system

BY CHARLES RICHARDS IN CAIRO

EGYPT HAS formalised a new system for financing private-sector imports which, it is hoped, will be facilitated by a greater flow of remittances from workers abroad through official channels.

Now all commercial banks, rather than just the four state-owned institutions, are permitted to deal both in Egyptian pounds and free currencies. They have been authorised to buy dollars at one to E£1.12, 40 per cent more than the official exchange rate of $1:E£0.83. Since the beginning of the current working week they have also been authorised to sell dollars to private importers at a rate of $1:E£1.18.

The aim is to ensure through the incentive rate that as much as possible of the estimated $3bn a year of remittances from expatriate Egyptians enters the legal banking system and as little as possible is drained into the black market.

Adoption of the new system marks a reversal of policy directed at closing the gap between the official and other exchange rates.

Hitherto, private sector importers had a choice between securing foreign exchange from the four state-owned banks—with little or no prospect of obtaining any—or resorting to the black market.

In effect, another pool of foreign exchange should be established in addition to the existing one in the banking system, which handles 85 per cent of Egypt's $8.5bn annual imports, and the "own exchange" pool constituted by companies' own earnings of hard currency.

But private importers will still have to apply to a new committee in the Central Bank of Egypt which will vet imports. It is to give priority to industry and agriculture.

Officials point out that the new rate of $1:E£1.12 is not a devaluation since it establishes a premium while maintaining existing rates which have gradually become established. The four public sector banks have been authorised to buy dollars from workers abroad at E£1.12 since December 1.

The new system has been announced at a time when an International Monetary Fund team is in Cairo urging the unification of multi-tiered currency rates. There are now effectively six rates.

The new regulations were to have been announced three weeks ago, but the Prime Minister telephoned the economy minister in the midst of a three-hour press briefing telling local journalists not to use the word devaluation and saying that talks with the banks were still in progress. The economy minister nearly resigned over the delays.

Bankers still seek some clarification as to how the new system will operate. Many private sector importers are sceptical that the banks will be able to meet demand for hard currency and remain convinced they will still have to turn to the black market.

Indian trade deficit narrows

By K. K. Sharma in New Delhi

INDIA'S TRADE deficit has narrowed substantially, falling to Rs 35.58bn (£2.36bn) in the period April-December 1983 from Rs 40.6bn in the same period of 1982, according to the annual report for 1983-84 of the Commerce Ministry published yesterday.

The figures show that the trend, which began a couple of years ago, is continuing. The Government is drawing particular satisfaction from the fact that the growth rate of exports is accelerating while that of imports is declining.

Estimates are that exports in 1983 grew by more than 12 per cent while imports increased by just 2.3 per cent. The assessment comes at a significant time as the Commerce Ministry is set to announce its annual import and export policy on Thursday.

The policy was considerably liberalised about six years ago and restrictions on many imports lifted in an experiment on removing some of the strongly protective measures in force for more than two decades. The latest figures suggest that the government will be encouraged to continue the trend towards liberalisation.

The ministry's annual report says that if exports of crude oil (produced in the offshore western continental shelf which cannot be processed in Indian refineries for the present) is not taken into account, the growth rate of exports works out at 15.4 per cent in the first nine months of 1983.

This suggests that the high growth rate should be maintained as therese crude oil exports will cease soon when Indian refineries are modified to process the offshore crude. ing a sharp rise in world prices.

The report notes that import substitution in energy due to a sharp rise in domestic oil exploration and production is proving to be immensely beneficial. "It is expected that crude oil production in 1983-84 will be nearly 26.2m tonnes, thus reducing the relative share of petroleum goods in India's total imports from 42 per cent in 1980-81 to 33 per cent during the first eight months of 1983-84.

Australian doctors decide not to strike

BY COLIN CHAPMAN IN SYDNEY

NEW SOUTH WALES doctors yesterday agreed to follow colleagues across Australia and call off planned industrial action in protest against the Government's insistence that they charge all patients fixed fees when providing services in public hospitals.

The back-down by the doctors on the eve of their planned state-wide strike is a considerable victory for Dr Neal Blewett, the Health Minister, and enables the Federal Government to complete the successful implementation of one of its major policies — the introduction of Medicare. Under Medicare all Australians receiving medical treatment still pay for their health costs, but have a plastic card which entitles them to reimbursement from the Government of the major portion of scheduled fees.

The dispute arose because of Dr Blewett's insistence that diagnostic specialists treating private patients in public hospitals charge no more than the scheduled fees. The specialists argued that they should be able to charge private patients whatever they liked, and the Australian Medical Association (AMA) saw Dr Blewett's move as the first step towards "nationalising medicine."

The doctors called off their action after the Government agreed to the establishment of a joint Government-AMA working party to inquire into the rights of private practice in public hospitals.

New Zealand unions to strike over pay curbs

BY DAI HAYWARD IN WELLINGTON

NEW ZEALAND'S trade unions will launch a series of snap strikes and walkouts during the next two weeks at companies which recorded record or large profits during the past year.

The action is part of union efforts to force direct wage bargaining and to get employers to pay more than the NZ$8.00 a week maximum wage rise allowed by the Government.

The wage rise limit is part of an extended pay freeze announced last month by Sir Robert Muldoon, the Prime Minister. The unions claim that they should receive between NZ$17.00 and NZ$35.00 to compensate for the rise in the cost of living.

A conference of 150 union representatives at the weekend agreed plans to move against individual companies who have had a good year financially. If companies refuse requests for direct wage bargaining negotiations, the unions plan to stage sudden, short strikes in the hope that companies with big profits will pay higher wages rather than lose production and possible export orders.

The unions are being careful to avoid long strikes, particularly in areas which would cause public disruption, because they fear the Prime Minister could use this as a reason to call early elections.

The Employers' Federation says companies would be in breach of the law if they paid more than the NZ8.00

China's statements 'unsettle HK'

CHINA'S statements on Hong Kong's future do not generate confidence, Mr J. L. Marden, chairman of the Hong Kong General Chamber of Commerce, said in his annual statement yesterday, Reuter reports from Hong Kong.

Mr Marden said there has been a succession of unnecessary and destabilising statements in 1983 by Chinese officials on the fate of Hong Kong and the inevitable result of the uncertainty has been defensive action by investors. The British lease on much of the territory expires in 1997.

Some companies are hesitant to invest in new machines while the future is uncertain, he added.

Zimbabwe remittances embargo 'temporary'

By Quentin Peel

DR BERNARD CHIDZERO, the Zimbabwean Minister of Finance, yesterday assured foreign investors that the recent embargo on remittances of profits and dividends would be temporary, and that his Government remained determined to attract foreign capital.

In a spirited defence of his recent exchange control measures, Dr Chidzero blamed three years of unprecedented drought, combined with the high cost of maintaining a viable multi-racial society, for the country's balance of payments crisis.

He assured former Rhodesians that the Government would continue to allow the remittance of pension payments, and would be prepared to give special consideration to any hardship caused to former residents no longer allowed to remit payments like rent income.

He denied that the Zimbabwe Government was involved in backdoor nationalisation through its decision compulsorily to acquire blocked foreign securities, including shares of Zimbabwean companies quoted on foreign stock exchanges.

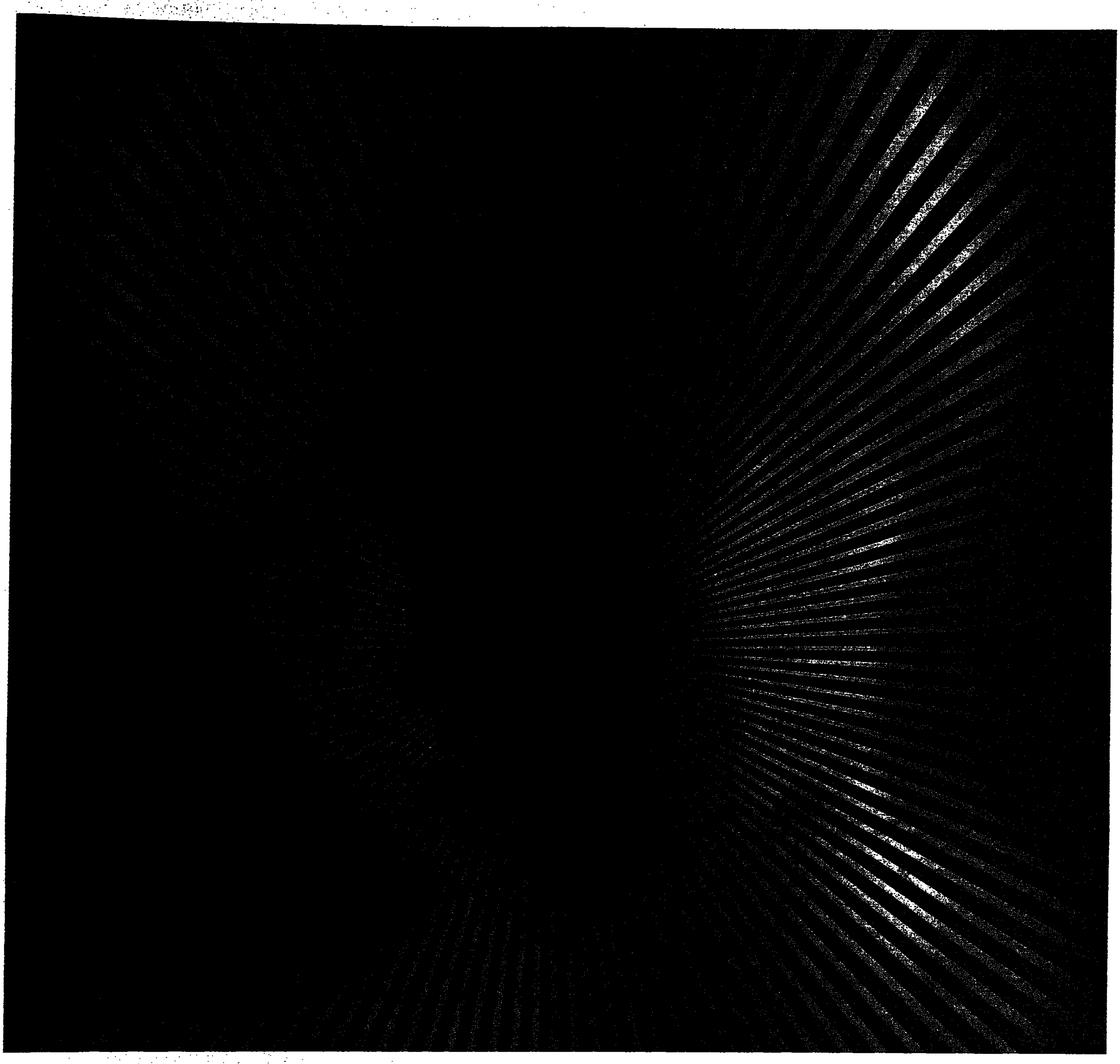
Dr Chidzero said the exchange control measures had to be taken to ensure that the country could return to stable economic growth once the present crisis had passed.

Angola accuses South Africa

By Our Africa Editor

SOUTH AFRICAN troops have yet to complete their withdrawal from southern Angola and have allowed guerrillas belonging to the dissident Unita organisation to take their place, according to Angop, the official Angolan news agency.

In an editorial, the agency accused the South African Government of not being "keen to fulfil the Lusaka agreement," which provided for South African disengagement and the exclusion of all outside forces from the area. Unita forces were being "massively installed" in the area, it said.



Making sure the future has a future.

One of the problems with a recession is that it tends to make people live from day to day. The trouble is that when tomorrow comes along, it finds you as prepared as a sunbather in a snowstorm.

So for some time, STC has combined thought, action and resources towards a positive vision for the future.

One way was to pioneer the new generation communications link: optical fibre landlines.

We will also be the first to put optical fibres into underwater systems when the proposed cable linking Britain and Belgium comes into operation.

Another way was to enlarge our business folio to include a whole range of medical services and the operation and maintenance of air traffic control systems.

Not things you'd traditionally associate with STC but highly successful ventures nevertheless.

This innovative approach has helped STC almost to double its turnover in a single year.

It shows just what a British company can do if it not only adapts to change. But actually initiates it.

If you would like to take a closer look at how STC is shaping the future, please write to: Peter Earl at Standard Telephones and Cables plc, STC House, 190 Strand, London WC2R 1DU.

NATIONAL AND INTERNATIONAL COMMUNICATIONS SYSTEMS · BUSINESS TERMINALS · OFFICE AUTOMATION SYSTEMS · CONSUMER ELECTRONICS · AVIATION · ELECTRONIC COMPONENTS · DEFENCE AND MARITIME COMMUNICATIONS SYSTEMS · MEDICAL AND SOFTWARE SERVICES · TRAINING SUPPORT · TECHNICAL AND TECHNOLOGICAL CONSULTANCY.

AMERICAN NEWS

Bargaining begins for Salvador election

By Robert Graham in San Salvador

HORSE TRADING for political alliances in the second round of El Salvador's presidential election – expected on May 6 – has begun even though no date for the run-off has been announced.

No candidate emerged from the first round on March 25 with the required clear majority. But the centrist Christian Democrat candidate, Sr Jose Napoleon Duarte, obtained 43 per cent of the vote. His nearest rival was the right-wing extremist candidate of the Nationalist Republican Alliance (Arena), Maj Roberto d'Aubuisson. Sr Duarte can only be blocked from winning by a united right-wing vote.

Discreet moves have been made in the past few days to dump Maj d'Aubuisson in the second round. This week the National Assembly is due to debate an amendment to the electoral law, tabled by the Right-wing Salvadorean Popular Party (PPS), which would permit the substitution of presidential candidates in the second round.

The purpose of this move is to set up Sr José Francisco Guerrero of the traditionally conservative Party of National Conciliation (PCN) as the opponent of Sr Duarte in the second round. The PCN polled 19 per cent of the vote last month.

The U.S. Administration has insisted throughout the elections on its neutrality but its reservations about Maj d'Aubuisson – whose name has been linked to right-wing death squads – are public knowledge. The Americans have also scarcely concealed their preference among the three main candidates for Sr Guerrero with his safe views and close links to the military.

Maj d'Aubuisson is expected to resist strongly any move to have himself substituted. This means that the PCN will have to make up its mind on an alliance with him. PCN officials say they would prefer not to be too openly committed to Arena's fortunes when there will be elections to the National Assembly within a year.

Sr Duarte believes sufficient PCN voters will swing to him to ensure *victory – simply because he is a less* divisive figure. Sr Duarte's main strength is in the towns (in San Salvador province he got 53 per cent of the vote).

Argentine debt rescheduling raises anxieties in the IMF

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN LONDON

THE WORLD'S financial leaders assembling in Washington tomorrow for the International Monetary Fund's interim committee will certainly not be echoing Micawber's hope that "something will turn up."

In recent years the IMF's meetings have provided an elaborate stage set for a series of impromptu scenes of crisis and financial brinksmanship.

Last autumn in Washington it was the corralling of commercial bankers and official lenders into a debt rescheduling agreement for Brazil. The year before in Toronto the discussion was all about how to prevent Mexico's debt problems from engulfing the financial institutions.

This week the focus in all the off-stage talks is likely to be Argentina's rescheduling difficulties, with a strong emphasis on various alarming possibilities of the "what if . . ?" variety.

The most obvious anxiety is that Argentina will fail to accept the IMF's terms for a programme of economic reform, the essential first step if U.S. and other banks are not to admit that their loans to Argentina cannot be serviced.

In that case, could the IMF bend its rules, and if so, how? That is certainly not the kind of question which ministers and central bankers want to ask in public. It perhaps helps to explain why three months ago the leading industrial nations reached a private understanding that this week's IMF meeting "was not really necessary."

By that they meant that there was nothing to discuss that could not be better discussed in the more discreet counsels of the Group of Ten, the club for the 10 richest nations (now 11 including Switzerland) which meets as privately as it can.

That is still broadly their view, because most of the topics likely to be raised by the poorer countries bristle with potential embarrassment for the developed nations. These topics include:

● *Calls from the Third World for* a handout of liquidity through an increased allocation of Special Drawing Rights (SDRs), the IMF's own reserve currency. At present, about SDR 17.5bn ($18.8bn) are held in reserves. Some countries would like that to be increased by more than half, but that would provoke the U.S. Congress, which the Administration certainly could not tolerate in an election year.

Although the French will renew their support for an SDR allocation, most of the developed countries, especially West Germany, are likely to oppose it, with the UK taking a "middle position" between that of the Commonwealth countries and the U.S.

● A related issue, scarcely less embarrassing, is the proposal for a selective capital increase for the World Bank. That would move Japan up from fifth to second largest shareholder after the U.S. Although that is generally agreed to be desirable, the U.S. is blocking the move until Japan takes steps to liberalise its capital markets.

● The subject of aid to the Third World is also hemmed with difficulties. The seventh replenishment of the International Development Agency – the World Bank's soft loans arm – for the next three years has been cut from $12bn to $9bn at the insistence of the U.S., but formal agreement to this limited aid programme has yet to be reached.

● The only topic that promises some quiet satisfaction is the session on the world economy. The most recent IMF forecasts suggest continued recovery with little acceleration of inflation. However, the developed countries appear to be in no mood to relax their financial strictness, and strong criticism will again be levelled against the U.S. for failing to take more urgent action to curb its budget deficit.

The U.S. Government is, after all, running nearly as much debt each year as the total external borrowings of all the Latin American countries put together. So last week's rise in U.S. interest rates with the consequent increase in the burden on debtor countries will give plenty of ammunition for the many critics of the present policy stance of the U.S. Perhaps that is something they would like to be publicised.

Chile seeks more flexible deal

BY MARY HELEN SPOONER IN SANTIAGO

SR LUIS ESCOBAR, Chile's new Finance Minister, leaves today for Washington to meet International Monetary Fund officials in an effort to negotiate more flexible terms than those provided in a standby accord signed early in 1983.

Sr Escobar will be seeking the IMF's approval for additional government spending beyond the 4.8 per cent fiscal deficit for this year previously accorded by the IMF. This earlier budget plan was announced in February by Sr Escobar's predecessor Sr Carlos Caceres, who was removed from his post last week when Gen Augusto Pinochet abruptly moved to reshuffle his economic team.

The plan also included a 21 per cent increase in public sector spending, with a 75 per cent increase in investments in state mining and energy projects, plus an increase in domestic credit by 250bn pesos ($2.8bn).

Chilean officials have not yet divulged what their new economic programme might involve, but Sr Escobar and Sr Modesto Collados, Economy Minister, have both indicated they plan to maintain the stated goals of former Finance Minister Caceres to obtain a 4 to 5 per cent GNP increase this year along with a $1bn trade surplus, a reduction in unemployment to 12 per cent or less and an inflation rate of less than 20 per cent.

The latest economic indicators suggest that Chile may face more difficulty than expected in meeting some of these goals. The National Statistical Institute last week reported that unemployment rose to 15 per cent, not counting another 10 per cent of the Chilean workforce enrolled in government work projects paying less than the minimum wage.

Consumer price inflation, which had been running at about 20 per cent over the past 12 months, rose sharply in March by 2.5 per cent. The country's accumulated trade balance for the first two months of this year was $117.8m; some $23m less than the surplus for the same period last year.

EEC and Efta seek to lower technical barriers to trade

BY PAUL CHEESERIGHT

ALL THE main trading nations of Western Europe yesterday launched a bid to lower technical trade barriers between them and pledged new efforts to enhance economic cooperation so that the free circulation of industrial goods can improve.

The foreign ministers of the EEC and the seven-nation European Free Trade Area held their first meeting here both to celebrate the elimination of industrial tariffs between them and to lay down the lines for future trade negotiations.

EFTA's members are Austria, Finland, Iceland, Norway, Portugal, Sweden and Switzerland. Each of them has a free trade agreement with the EEC, signed in 1972.

"None of us is willing to sit back and accept technological and industrial decline. But we're faced with it. We must cooperate on a continental level", said M Claude Cheysson, the French foreign minister and current president of the EEC Council.

Teh ministers therefore agreed that there would be an increase in joint research and development efforts. "They wanted particular attention to be given to certain industrial and technological fields of the future, such as telecommunications, information systems or the new audio-visual media", said a joint declaration.

The stress on technological advance is an attempt to give the EEC-Efta agreements a new dimension as they enter their second decade. But the old problems which have prevented a deeper economic integration between the 17 nations persist.

The ministers therefore ther efforts on the harmonisation of standards, simplification of border facilities and rules of origin, elimination of unfair trading practices and access to government procurement.

Work on the non-tariff barriers to trade is a priority for the Efta countries which, collectively, have been running a substantial trade deficit with the EEC.

These barriers have assumed more importance as the restraining effects on trade from tariffs have been progressively removed. "Our aim should be to develop our free trade area into a genuine home market for industrial products in Western Europe," said Mr Matts Hellstrom, the Swedish foreign trade minister and current Efta chairman.

UK, Italian groups sign European space deals

By James Buxton in Rome and Michael Donne in London

THE European Space Agency has signed contracts with the British Aerospace Dynamics Group and the Italian state-owned Selenia Spazio for manufacture of the payload of the projected Olympus-1 communications satellite.

Work on the Olympus-1, formerly called the L-Sat (for large sattellite), has been under way for some time. It is the biggest communications satellite yet built.

Its overall cost, including launch in 1987 (either by the European Ariane rocket or the U.S. Space Shuttle), will be around £250m.

Selenia Spazio will be responsible for the telecommunications payload of the Olympus-1. Its contract with the ESA is worth L221.5bn (£95.7m).

The payload will include a Direct Broadcasting system for Italy, other DBS systems for other countries and a special data communications and transmission system for business and industrial users.

British Aerospace Dynamics Group is the prime contractor for the Olympus-1 venture. Other contractors participating in the programme include Marconi of the UK, Fokker of Holland, Aeritalia of Italy and Spar Aerospace of Canada.

U.S. plea on mixed credits likely to fail

BY DAVID MARSH IN PARIS

THE U.S. looks likely to meet a cool response from European countries to its expected plea this week in Paris for tougher rules on export credits to Third World countries combining commercial financing and development aid.

Alarmed over growing recourse to so-called "mixed credits" by countries such as France to clinch export orders in the developing word, the Reagan Administration in recent months has launched a campaign to increase the cost to creditor countries of such deals, as a means of cutting their use.

At a week-long meeting here which started yesterday of export credit officials from the main industrialised countries, the U.S. is expected to press for a rise in the minimum level of development aid which can legitimately be combined with export credits.

The meeting, taking place at the Organisation for Economic Co-operation and Development (OECD), is expected to handle the subject of mixed credits tomorrow.

But an official at the French Finance Ministry, which together with the Foreign Trade Ministry handles export credit financing, said yesterday that European countries were respecting the OECD "code of conduct" on this issue and there was no reason to modify the rules at present.

The 10 members of the EEC, where France currently holds the presidency, were "aligned" on the matter, he said.

Current OECD rules lay down 20 per cent as the minimum component of development aid funds in a mixed credit package. For financings containing between 20 and 25 per cent of development aid, the exporting country has to notify the OECD 10 days in advance to enable other governments to make competitive offers.

The U.S. wants to raise the minimum threshold to 25 per cent and also to widen the obligation for prior notification.

The U.S. claims that growing use of mixed credits are using up resources which should be destined for pure development purposes, and can lead to wasteful interest rate battles.

To back up its campaign, the U.S. Exim Bank itself has recently approved concessionary financing using mixed credits for Cyprus and Indonesia in what is intended to be a warning shot against examples of "predatory" financing offers by France.

Mission to visit Singapore, Taiwan over music piracy

BY CHRIS SHERWELL, SOUTH-EAST ASIA CORRESPONDENT

A HIGH-POWERED 17-strong U.S. delegation representing the U.S. Government and recording industry is to visit Taiwan and Singapore later this month to register its complaints directly over the heavy commercial losses caused by pirate recordings.

Singapore's industry is the world's biggest. The island state exports an estimated 50m-70m pre-recorded cassette tapes a year and another 15m for the domestic market. Taiwan produces principally for the home market.

Losses to the U.S. recording industry from sales of Singapore tapes in other Asian markets and in Africa, the Middle East and Latin America are reliably put at US$60m a year. The British and European industries also lose millions.

Complaints have been registered in the past by Britain; notably by Sir Michael Havers, the Attorney-General, and the subject could well come up during a visit to Singapore, also at the end of this month, by Mr Kenneth Baker, information and technology minister.

In fact the problem in Singapore is less serious than it was, thanks to prosecutions by the International Federation of Phonogram and Videogram Producers (IFPI), representing those who write and produce sound recordings. But offenders typically suffer only a S$1,000 (£336) fine and return to business.

Officially an inter-ministerial committee is looking at the existing 1911 copyright law and a subsequent 1968 statute, and is supposed to make recommendations. But it was established in 1980, and the patience of both the U.S. and European industry is wearing thin.

The U.S. delegation will include senior government officials from the Commerce Department and the State Department and the Registrar of Copyright. Also expected to travel are top officials of the Recording Industry Association, Motion Picture Association and Book Publishers Association, and interested members of the U.S. Congress.

A congressional committee is in the process of examining the operation of the Generalised System of Preferences (GSP) in relation to Third World countries, and Singapore's standing under this trade preference scheme could come in for closer scrutiny if no assurances of action are forthcoming.

This means an undertaking from Singapore that the piracy will be stopped and that U.S. works will be protected under the law. At present the prosecution of any supposed offender must show direct evidence that no consent exists anywhere for production of the alleged pirate recordings before the court, and this is virtually impossible in practice.

The IFPI has now changed tack in its pursuit of offenders. Instead of a private criminal prosecution, it is launching civil proceedings under which it gains a court injunction prohibiting the sale or manufacture of recordings by a particular producer.

The injunction is won through a so-called "Anton Piller order," after the original 1976 case. Under it a named defendant must give access to his premises and can have documents or cassettes confiscated if the court agrees there is a *prima facie* case against him.

Eleven injunctions have already been won.

Brussels rows 'harm Hungary's trade pact talks'

By David Buchan, East Europe Correspondent

INTERNAL EEC wrangling over budget and agricultural issues makes trade accords with countries such as Hungary more difficult, Mr Peter Veress, Hungary's trade minister, said in London yesterday.

Hungary remained as committed to trying to negotiate an EEC trade deal as when it started informal talks with Brussels two years ago—"but only if the price is right," Mr Veress warned. After a two-month hiatus this spring, discussions are to resume, at the initiative of the EEC Commission, which primarily sees political gain in reaching what would be its first general trade pact—covering industrial and farm goods—with a Comecon country.

Mr Veress said a trade agreement would cement recently improved political relations between Hungary and many EEC member countries such as the UK whose prime minister, Mrs Margaret Thatcher, visited Budapest in February. But such an agreement would be "empty" if not based on mutual economic benefit.

Resolution of internal differences inside both the EEC and Comecon would advance East-West trade, he said. The Hungarian minister believed that the long-delayed summit of Comecon leaders, the first since 1971, was possible this year, but stressed that no date was fixed. Like the EEC, Comecon members would find it easier to negotiate external trade expansion if and when they first put their own house in order.

Lisbon looks for more liberal textile quotas

By Anthony Moreton, Textiles Correspondent

PORTUGAL is to seek more liberal quotas for its textile exports to the EEC in the run-up to its membership of the Community, now expected in 1986.

The present quotas, set in 1981, were based on the assumption that Portugal would be in the EEC by the end of this year.

Sra Raquel Ferreira, Portuguese Secretary of State for Overseas Trade, said on a visit to London that she hoped to approach Brussels in time to have a decision by July.

"This is not a renegotiation of terms, she said, "more an adjustment of figures."

Under the 1981 agreement Portugal was allowed to increase supplies to the EEC by 7.5 per cent a year between then and a 1984 accession date. This rate was to have risen progressively during the first three years of membership until in the fourth year Portugal would have free access for its goods.

Sra Ferreira said that Portugal had in fact "submitted to more restrictive measures than foreseen" and the present arrangements were insufficient to absorb the country's textile capacity.

The Portuguese application will be greeted with apprehension by the rest of the European industry. Portugal has installed a lot of new machinery in the past three years and its industry is one of the most up-to-date and efficient in Europe.

HK team seeks ventures

BY DAVID DODWELL

A GROUP of 11 Hong Kong industrialists yesterday began a four-way mission to the UK aimed at boosting inward investment, and in mounting joint ventures in Hong Kong.

The group is headed by Mr John Yaxley, Hong Kong's Director of Industry, and is the first mounted by the colony's industry department since it was hived off from the Trade Department last year.

Mr Yaxley said yesterday that the work of his department had been difficult recently, because of the "great unmentionable" issue of the future of Hong Kong beyond 1997 when the lease on the British territory expires, and because of recession worldwide.

He noted, however, that local investment had picked up during the recent past, and that 18 new companies had "arrived and set up for business" in Hong Kong during 1983.

The industrialists' mission will hold seminars over this week in London, Newcastle and Edinburgh. It aims to attract UK businesses to invest in the colony, and to introduce Hong Kong industrialists to counterparts in the UK for discussions about possible joint ventures.

Saudi oil marketing group triples sales of crude

BY RICHARD JOHNS

NORBEC, the company set up by Saudi Arabia to give it greater flexibility in marketing its oil, tripled its sales to about 300,000 barrels a day late in March and early in April, according to senior industry executives.

Shell and Japanese customers are understood to be the main customers responsible for the extra disposal of Saudi crude. Norbec, meanwhile, has still to sell any of the 50-75m barrels placed in floating storage.

Current Saudi output from the main producing fields operated by Aramco is understood to be currently running at 4.5m b/d.

Overall the Organisation of Petroleum Exporting Countries' production is reckoned to be running at more or less its agreed ceiling of 17.5m b/d.

Indonesia is furthest above its quota at about 1.6m b/d compared with an allocation of 1.3m b/d. Nigeria is reining in its output to the agreed maximum of 1.3 b/d having reached 1.6m b/d in March.

As Opec and the oil market enter the most critical period facin gthem and price stability Edinburgh stockbrokers Wood Mackenzie forecast that non-Opec production will increase by 500,000 b/d in 1984.

But the impact on Opec should be more than off-set by higher demand, the lack of any run-down on inventories and slightly reduced exports from the Eastern bloc, the firm says in the latest edition of its monthly Oil Monitor.

Opec's market monitoring committee, meanwhile, has postponed its next meeting which was originally scheduled for April 17 in Abu Dhabi to April 27 in Vienna. It is expected to recommend an unchanged output ceiling and reference price.

● The Royal Dutch-Shell group has signed two new agreements with Egypt involving an exploration commitment of over $100m.

TECHNOLOGY

EDITED BY ALAN CANE

Telecoms giant enters computer fray

AT & T'S ANNOUNCEMENT of its entry into the general purpose computer market raised many questions about the ability of the telecommunications giant to develop the marketing and support expertise needed to address the commercial marketplace. There is little doubt, however, that AT & T is several strides ahead of most of its new competitors in computer technology.

AT & T's semiconductor technology, developed at Bell Laboratories, has previously been admired by technologists, but less so by commercial chip makers. With the launch of its computer products, however, AT & T has demonstrated the market value of its chip designs.

AT & T has put its CMOS 32-bit microprocessor chip set, developed at Bell Laboratories, to use in each of its new computer products.

The "Western Electric 32000" (previously known as the Bell Mac) is purposely designed to optimise the performance of AT & T's Unix operating system. For example, the microprocessor performs switching functions between the various users of a Unix system, saving software steps and time. The 32000 is supported by AT & T's memory management chip, a sort of silicon librarian that gets data out of storage faster and more efficiently than the microprocessor can by itself.

AT & T's 256K dynamic ram chips, among the most advanced semiconductor memory chips being manufactured today, were also developed at Bell Laboratories.

It is, however, AT & T's Unix operating system that gives the company's products a real performance advantage. Unix is a multi-user, multi-tasking operating system. In plain language that means that it is a program that co-ordinates the functions of the various pieces of a computer system, and does so in systems for several users who want to do several things—all at the same time.

In various forms, Unix has been around for over a decade. It was originally designed in 1969 to run on minicomputers, but its beauty, and value, is that it is transportable to a wide variety of computer systems.

As AT & T's puts it: "The Unix operating system is a unifying factor in the computer industry. Before it arrived on the scene, the microcomputer, minicomputer and mainframe markets were relatively separate. With the advent of a truly transportable operating system, these segments are now able to share software and services."

"He's not what I'd call computer-friendly"

AT & T licensed dozens of computer companies to use Unix and the company has been promoting the operating system as an industry standard for over a year. According to AT & T, about 70,000 computers representing 70 or so different types now run Unix operating systems or their derivations. Even IBM has recently introduced a version of Unix for its personal computers.

In the multi-user microcomputer segment of the industry, Unix is already regarded as the standard. Ironically, it is the producers of Unix based microcomputers who are expected to be hardest hit by competition from AT & T. "Companies with poor products and support will suffer from the increased competition," comments Jean Yates, a long time watcher of the Unix computer market. There are several microcomputer companies that fall within this category, she admits. "But companies with good products should fare well, particularly if they find vertical niches," she believes. By creating an industry standard, Unix is expected to expand the multi-user microcomputer market.

AT & T's product introductions also push forward the formation of a standard for local area networking of computers. 3B net is based on "Ethernet" a scheme designed by Xerox that is also supported by several other computer makers. AT & T's announcement of an Ethernet-type system gives the standard a boost that could awaken a huge market. More than any of AT & T's other computer products, the LAN is seen as directly competitive with IBM. Although IBM has yet to announce its local area network product, the computer giant has kept potential users waiting for about two years. Many could decide not to defer their installations any longer. "Watch out IBM," says Ms Yates.

AT & T will put the 3B net through its paces by building "the biggest local area network in the world" for use during the Los Angeles Olympic Games. The network will serve 60 sites within a 4,500 square mile area with 14 3B20 computers, 1,700 AT & T teletype terminals and hundreds of printers.

LOUISE KEHOE

Olivetti aims to increase its market share

ONLY A few days after Olivetti finalised a joint marketing agreement with the U.S. AT & T corporation, it has announced two ranges of microcomputer to attack IBM's hold on the personal computer market.

This year Italy-based Olivetti has about 8 per cent of the European market. M. Panattoni, head of the personal computer products group said that the aim is to capture 20 per cent in 1985.

The new personal computers have been designated the M24 and M21, a portable version. They are 16-bit computers as was the M20—Olivetti's first pc entry in 1982. The new machines have been designed to run on the industry standard operating systems such as MS-DOS, UCSD-P, Olivetti's own operating system P-COS and concurrent CP/M.

This means that the extensive library of existing software for these operation systems can be used with Olivetti's computers. Software agreements have already been reached with Peachtree Software and Micro-pro. However, high quality graphics and a fast processing speed, Olivetti says, sets its computer apart from the herd.

Both computers can be stand-alone or connected as a work station into a network for office integration. The M24 is based on the 8087 microprocessor and in its basic configuration comes with 128 kbytes of random access memory which can be increased to 640 kbytes. Floppy discs or hard discs can be chosen. The M21 is a 30 lb, transportable computer.

Also a range of peripherals such as printers have been designed for the M range and the computers can be connected to the company's electronic typewriters.

The computers will be available in May for the M24 and September for the M21. Production is now being geared up at its factory.

M. L. Mercurio, Olivetti director of distributed data processing and office automation division, said that the company had spent US$30m on an automated factory in Italy with the aim of "producing a pc every 15 seconds."

> Olivetti has also decided to invest in small high technology companies involved in office automation

In addition Olivetti is spending $25m on world-wide promotion to create public awareness of its product range.

Increasing personal computer customers are looking for the security of a big name said M Panattoni. His colleague, M V. Cassoni, Olivetti's group marketing director, pointed out that there are more than 150 manufacturers of personal computers in the $2,000 to $8,000 range. With original equipment manufacturers deals this provided about 700 different models.

Mr Cassoni forecast that only 10 major suppliers would survive to serve the market. Already about a dozen makers supply 80 per cent of the world market M Cassoni commented. Lots of money was needed to keep in the game for product development and marketing, M Cassoni said.

The M21 and M24 were developed solely by the company. It has a research and development company in Cupertino, California in the heart of Silicon Valley where it can keep track of computer developments.

With the agreement with AT & T, which now owns 25 per cent of the company, the third technology leg to support its entry into office automation is in place—telecommunications. It has expertise in office equipment and computers the other two important technology strands.

AT & T will market Olivetti's products in the U.S. while Olivetti will have access to the American corporation's strong research and development teams while also selling AT & T's equipment in Europe.

Olivetti has shown impressive growth in recent years. 1983 was its best year so far with earnings reaching L1,893.9bn and profits up by more than L40bn. It is spending increasing amounts on research and development having risen from L47.1bn in 1978 to L181bn last year.

The company has also decided to invest in small high technology companies involved in office automation—a strategy now used by several other large groups. It has funded about 25 companies to date including Docutel which specialises in bank automation; Corona, a home computer maker; Sphinx which develops software and Tabor, a floppy disc equipment manufacturer.

ELAINE WILLIAMS

Plessey and Oceonics join forces

Joint deal in teleconferencing

PLESSEY OFFICE Systems has agreed with Oceonics Communications to market a complete turnkey television conferencing system in the UK and other parts of the world. Technology developed by Compression Laboratories Inc in California will be used.

Both British companies have CLI licences and Plessey's digital communication background is expected to complement Oceonics' abilities in video-audio equipment and studio design.

Plessey's installed base of the new IDX digital telephone/data exchange, which the company says now totals 450, will form the basis for sales of the new videoconferencing system. Oceonics, for its part, has many existing customers in the oil and civil engineering industries.

The system is of particular interest to larger companies installing British Telecom Megastream links operating at 2Mb/s (millions of bits per second). The end-to-end dedicated link, say between divisions of a company, could be used for a reduced bandwidth TV picture together with voice and data. Switched Megastream links are not yet available.

The announcement comes only a day or two after AT & T and BT unveiled a transatlantic service to link London with New York and 13 other U.S. cities, at costs in the U.S. of about $1,300 per half hour.

The main competition for Plessey/Oceonics is GEC, which is now proceeding on its own after terminating the tie-up with General Instrument's Jerrold subsidiary.

The increased interest in teleconferencing stems from recently researched techniques for compressing the bandwidth needed to send colour TV pictures, thereby reducing the cost. Today, compression codecs (coding and decoding circuits, usually in "chip" form) allow virtually unimpaired pictures to be sent at digital transmission rates of about 2 Mbs. Normally, a colour TV picture requires in excess of 150 Mb/s.

With some loss of clarity and a little smearing of motion in the picture, bit rates of only 0.5 Mb/s can be used.

The Plessey/Oceonics system will allow the user to choose rates between 0.5Mb/s and 2Mb/s to suit the application. If the lower rates are used to send stills or minimum motion live TV, the remainder of the bandwidth can be used for other services such as data or speech.

Plessey is in Beeston, Nottingham, on 0602 254822, and Oceonics is at Alton, Hants, on 0420 86666.

GEOFFREY CHARLISH

Burroughs sets up centres

Aiming at small firms

BURROUGHS, in its aim to woo small businesses, is setting up six computer businesses in the UK. With an initial investment of £1.2m the first centre will open in Bristol on May 10.

The U.S. computer company hopes to sell microcomputers and minis to small businesses. Mr David O'Brien, sales and marketing manager of Burroughs said that the centres, which are based in the main metropolitan area, will reach 60 per cent of small businesses in the UK.

It is estimated that there are 115,000 small companies in the UK with a turnover of less than £5m and fewer than 200 employees.

Mr Graham Margetson, general manager of the new business centres, said that the company had decided not only to sell microcomputers but also to include the top end of the mini market. In the U.S. Burroughs followed the trend a few years ago by opening microcomputer centres. Mr O'Brien admitted that these had not been very successful. Starting prices for machines will start at about £5,000.

Burroughs will also concentrate on particular application areas—manufacturing, distribution and construction. Full software is available in these fields and the company had entered into agreements with software manufacturers in the provision of new programs.

Computers

Expanding range

COMMODORE International plans to expand its range of personal computer products with new machines for the office and home markets, the company announced in Hanover, West Germany last week.

The company displayed "pre-production" models of three new products. The first, a home computer that it expected to sell for around $100, will be delivered to retailers during the second half of this year, Commodore said.

The model 16 will have just 16k of internal memory, less than almost any other personal computer. It will, however, be program compatible with Commodore's more expensive Model 64.

For the office market, market, Commodore unveiled two new models. One is a transportable unit which will be compatible with the IBM personal computer. It will be made under licence from Bytec-Commterm. This company sells the Hyperion IBM compatible portable computer. The Commodore version will compete with computers offered by companies such as Compaq and Kaypro as well as with IBM's own new portable personal computer.

Commodore is, however, expected to apply its traditionally aggressive pricing tactics to gain a share in the crowded market sector.

The other machine, to be based on a 16 bit microprocessor designed by Zilog, will be a desk-top unit that will run a version of Unix, the AT & T operating system.

Commodore did not reveal prices or delivery dates for the new computers, but said that they will be introduced in Europe first, where Commodore has a stronger position in the office computer market than in the U.S.

Also announced were add-ons for Commodore home computers including a "light pen" that can be used to draw on a computer screen.

Tax search for 'undisclosed' Lloyd's funds

BY JOHN MOORE, CITY CORRESPONDENT

THE Inland Revenue's special investigations unit is to carry out an inquiry into the affairs of Lloyd's insurance underwriters in an effort to trace alleged undisclosed funds which should have been declared for tax purposes.

A letter has been sent by the Inland Revenue to all managing agents, the groups which look after the affairs of the 23,500 members of the Lloyd's market. It seeks details on certain types of business arrangements carried out in the market since April 6, 1974, "purporting to be contracts of reinsurance."

According to estimates within Lloyd's, the Inland Revenue may be seeking to recover tax on funds of Lloyd's underwriters amounting to £100m.

Mr Peter Miller, Lloyd's chairman, who has been holding discussions with the Inland Revenue for some time, said in a letter to the market yesterday: "The Revenue's attitude is quite straightforward. They believe that undisclosed liabilities of tax have built up over several past years and that they have a statutory duty to collect such tax, plus interest from the taxpayers concerned."

The Inland Revenue is seeking to discover how much money was lodged offshore in the form of premiums on reinsurance contracts by Lloyd's insurance syndicates (the units into which all Lloyd's members are grouped) and which was largely due to be returned to the syndicate at a later date in another tax year. The arrangement is known at Lloyd's as a "rollover policy."

Mr Miller said in his letter: "The Lloyd's attitude is quite straightforward. We have conveyed underwriters' firm belief in the commercial legitimacy of such policies and the *bona fide* reasons which led them to be effected. We do not believe that allegations of wilful default or neglect on the part of underwriting agents could be sustained."

Nearly 200 underwriting agents are expected to have received the letter from the Revenue, which is designed to track down where reinsurance arrangements have been used to mitigate tax liabilities.

Lloyd's is seeking to clarify the accounting and taxation issues on reinsurance contracts and argues that the commercial legitimacy should not be in doubt.

Cabinet to settle choice of missile

By Peter Riddell, Political Editor

A CABINET committee is today expected to decide on whether to award the £200m contract for supplying sea-skimming missiles for the Royal Navy to the U.S. McDonnell Douglas company or to British Aerospace. An announcement is possible today or tomorrow.

Mr Michael Heseltine, the Defence Secretary, is understood to be a strong backer of the U.S. Harpoon weapon rather than British Aerospace's Sea Eagle. The Treasury is understood to be supporting his views.

However, Mr Norman Tebbit, the Trade and Industry Secretary, and his department have been arguing in favour of British Aerospace on the grounds that the technology needs to be retained in Britain.

While the division on the committee appear to be roughly even, many MPs from constituencies with British Aerospace factories expect the choice to favour the U.S. weapon.

The Royal Navy has favoured Harpoon and the affair has raised broader questions of how to achieve better value for money in the award of contracts.

Morgan Grenfell in link-up with stockjobbing firm

BY RAY MAUGHAN

MORGAN GRENFELL, one of the leading merchant banks in the City of London, has forged the latest, and one of the largest, new alliances in the securities industry by taking a 29.9 per cent holding in Pinchin Denny, the stockjobbing firm. No price has been disclosed.

The bank plans to take full control of Pinchin, which claims to be *the third ranking jobbing firm in* the London market, as soon as stock exchange rules permit. The exchange is expected to outline its proposals for the structure of the market in a consultative paper to be published later this week.

Meanwhile, Morgan is to double Pinchin's capital base first through the injection of equity to take its share stake up to the current limit of 29.9 per cent and thereafter by the issue of a subordinated, non-interest bearing loan.

Both parties to the new alliance have been discussing links with several other interests, but each agreed that the other had always been the preferred choice. Morgan Grenfell was reported to have approached Wedd Durlacher, another jobbing firm, earlier this year and although talks were tentatively started, the chairman of the bank, Mr Bill Mackworth-Young, insisted that "Pinchin was my first choice."

Pinchin Denny trades in most sections of the equity market, specialising in the electrical, chemical, investment trusts and financial sectors.

Morgan already runs a substantial trading operation in fixed interest instruments through its Eurobond and treasury divisions.

Lord Catto, chairman of the *banking group, pointed the way forward* last month when he said: "As the securities markets and our competitors change around us, we are likely to become more widely involved in secondary markets, while continuing to enhance our position as a leading international issuing house."

As he unveiled a 25 per cent rise in 1983 disclosed earnings, after all charges, to £16.48m and shareholders' funds of £115.53m, the chairman set as a first priority the expansion of the bank's dealing capability into the gilt-edged and industrial fixed interest securities markets.

On first inspection, Pinchin Denny lacks the gilt-edged exposure of Wedd, but Mr Mackworth-Young said yesterday: "One of the great attractions of Pinchin Denny is its expansion in the fixed interest market."

Lex, Page 20

Producers' prices rise by 1% in a month

By Philip Stephens

INFLATIONARY pressures on Britain's economy showed signs of strengthening last month as manufacturers reported a further rise in their prices.

The Department of Trade and Industry said yesterday that its producer price index increased by 1 per cent between February and March to 130.2 (1980=100) to show an annual rise of 6.4 per cent, the highest for 18 months.

About a third of the increase reflected the one-off effect of duty changes introduced in the budget last month, but even if these are discounted the underlying trend was upwards for the third consecutive month.

The figures raised new doubts in the City of London over whether the Government will succeed in reducing retail price inflation to 4½ per cent by the end of this year.

Many analysts believe there is little further scope for retailers to absorb producer price rises by trimming their margins.

Hopes of lower inflation have also been clouded by the pace of earnings. Workers have been increasing their average earnings by about 7½ per cent a year and in manufacturing by 9½ per cent,

Foreign companies step up pace of investments in UK

BY JOHN LLOYD, INDUSTRIAL EDITOR

INWARD INVESTMENT in the UK is now on a rising trend. The number of investments, most of them from the U.S., rose by 58 per cent in 1983 over the previous year to a total of 216—the highest recorded.

The trend is continuing in the first quarter of this year, which is well up on the same period in 1983. Two major new investments—both by U.S. electronics companies—will be announced shortly.

The proportion of Japanese investments continues to rise, from an average of 2 per cent of total inward investments in the late 1970s to about 5 per cent now. In 1983, Japanese companies invested some £70m and created 900 jobs.

U.S. remains the dominant investor, however, continuing to account for between 50 and 60 per cent of all investments. Decisions made in 1983 included those by IBM, Digital and Motorola to base personal computer manufacture for Europe in the UK, by Hewlett-Packard and Digital to establish major research and development centres, and by Motorola and National Semiconductor to expand semiconductor manufacture.

Investments made in 1983 by U.S. corporations totalled 127, creating 10,828 jobs and safeguarding a further 10,101. West Germany made 23 investments creating 353 jobs and safeguarding 3,053; while Japan made 10 investments creating 938 jobs and safeguarding 2,906.

The Invest in Britain Bureau (IBB), which co-ordinates inward investment in the UK, is now planning to increase its market coverage, particularly in Japan. Consultants are presently drawing up a report for the IBB on trends in Japanese investment.

Mr Norman Lamont, the Industry Minister, said yesterday that last month's budget had ensured that corporation tax was the lowest in the EEC—excluding Ireland, Jersey and Guernsey—and "one of the lowest in the world."

He said that the phasing out of first year allowances on capital expenditures had made little difference to investors' intentions — though it is recognised that the two-year phasing-out period created a "window" through which a number of foreign companies wishing to invest in Europe would wish to squeeze.

Invest in Britain Bureau, annual report; Department of Trade and Industry, Kingsgate House, 66-74 Victoria Street, London SW1E 6S

MPs to hold debate on miners' dispute

BY OUR POLITICAL AND LABOUR STAFF

THREE senior officials of the National Union of Mineworkers (NUM), including one member of the union's executive, were arrested yesterday on the eve of a House of Commons debate on the role of the police in the mining dispute.

Mr Jim Colgan, the executive member for the Midlands area, was arrested during clashes with police during picketing at a colliery. He claimed he was assaulted by the police. Also arrested, at a different colliery, were Mr Austin Fairhurst, president of North Derbyshire NUM, and Mr Peter Elliott, the area's vice-president.

The Commons will hold an emergency debate today on "the implications for civil liberties and the rule of law in policing operations" during the dispute. Mr Allen McKay, the Labour MP who applied for the debate insisted to Conservative jeers that the intention was "not to attack the police." He said it was in the interests of pickets, police and the public that the issues should be aired quickly.

Mr Bernard Weatherill, the Speaker (chairman), said he was satisfied that it was a proper subject for an emergency debate.

There were protests from Conservative and Liberal/Social Democrat Alliance MPs, who fear that the restricted subject for the debate will cause comments on the wider aspects of the dispute to be ruled out of order.

Labour politicians have protested at the conduct of the police during the dispute, now in its fifth week. Miners have been turned back by police on their way to picket coalfields and, on the picket lines, hundreds have been arrested. Another 80 miners were arrested yesterday at a Nottinghamshire colliery when fighting broke out and six policemen were injured.

In North Wales, the chief constable admitted that plainclothes policemen had been used at one pit. Miners have alleged that policemen disguised as miners have acted as *agents provocateurs.*

Mr Neil Kinnock, the Labour Party leader, would not yesterday state his view on demands that the National Union of Mineworkers (NUM), at its executive meeting on Thursday should call a national ballot over its strikes against pit closures.

"The NUM is the appropriate and proper body to consider these calls," he said. "No one else is in a constitutional position to do it."

Plessey Data wins £22m order

BY RAYMOND SNODDY

PLESSEY DATA Communications has won an order worth more than £22m from British Telecom (BT) for packet switching telecommunications equipment.

BT has ordered up to 140 packet switching processors for its specialists data communications network Packet SwitchStream. The order will be worth more than £15m in the first year and is expected to total at least £22.5m. Further options could take the final value of the order to £30m. Plessey believes it is the largest single order for civilian packet switching equipment.

● The Government confirmed yesterday that it was taking steps to simplify arrangements for approving the competitive supply of subscriber telecommunications apparatus. Arrangements have been widely criticised by equipment suppliers as too rigid.

BA may place £15m galley order abroad

By Michael Donne, Aerospace Correspondent

A £15M ORDER by British Airways (BA) for new galley units for its fleet of 28 Boeing 747 jets may have to be placed overseas.

The new galley equipment is needed from early next year to replace the existing ageing units in the 747 fleet. Changes in operations, with many more long-haul non-stop routes and new classes of service, such as Business Class, with different meal requirements, have also imposed strains on the existing galleys.

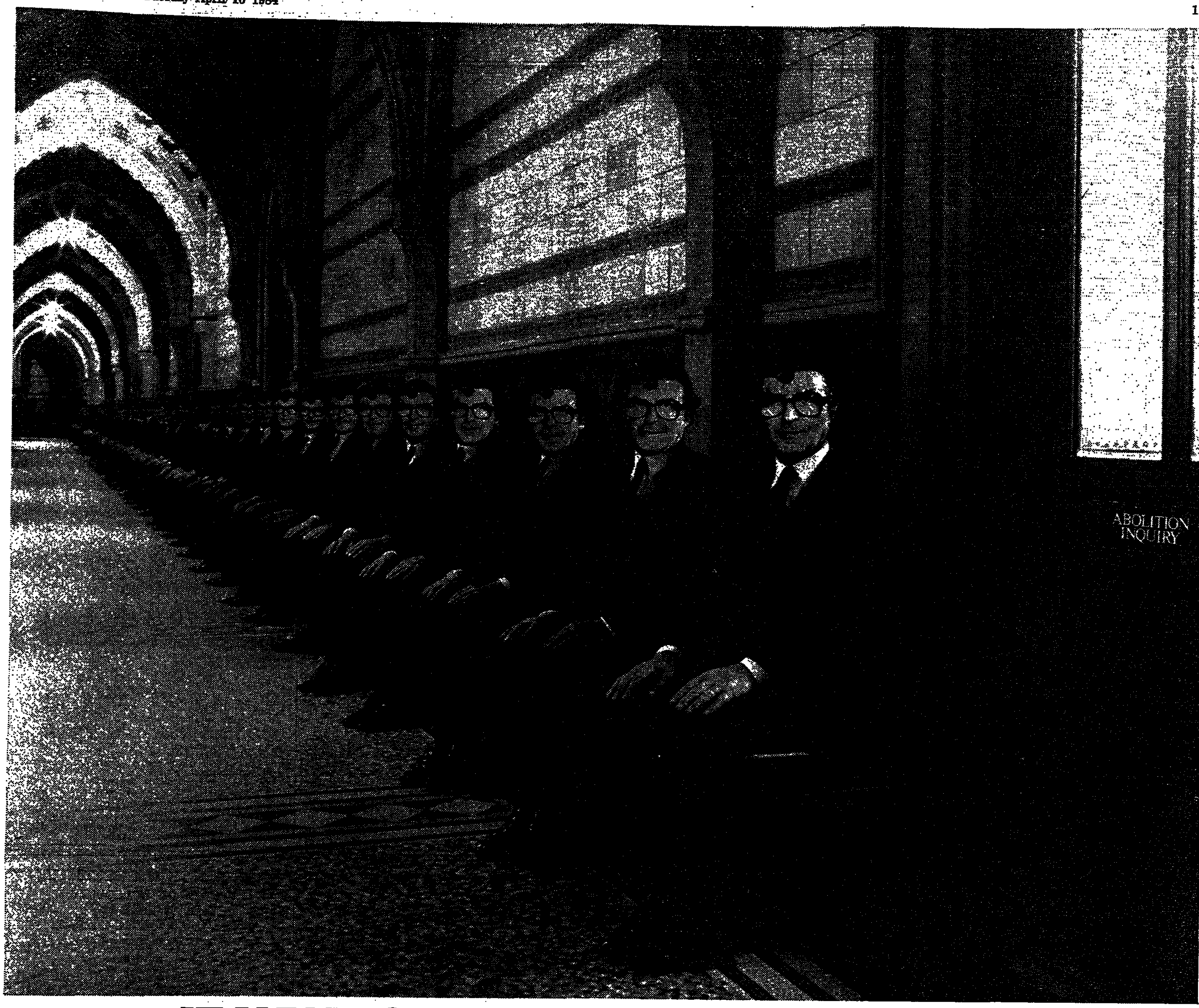
Each 747 jet has 14 galley units, so that for the entire fleet nearly 400 galley units will be needed.

BA says that it has discussed the potential order with a number of UK galley equipment suppliers, but none appears to be able to guarantee that the work will be completed within the tight BA timescale, nor in some cases to meet the BA specifications.

The airline is now looking overseas. Companies in Japan and West Germany have already made attractive and competitive tenders.

Mr Howard Phelps, BA's operations director, says that BA "believes in buying British whenever it can, and many British companies have provided the interior equipment for our aircraft in the past.

"We would like UK companies to meet this galley requirement also, but so far we have made little progress in fulfilling our needs at home."



AT ANY ABOLITION INQUIRY, WHO WOULD BE MISGUIDED ENOUGH TO SIDE WITH PATRICK JENKIN?

In his efforts to abolish the metropolitan county councils, the Environment Secretary is keeping himself very much to himself.

Of course, he has spoken at some length on the issue. In The Commons, on TV, radio and in the press.

But he hasn't actually said very much of value. And even less to justify his White Paper proposals.

Which has led many people to believe they aren't worth the white paper they're printed on.

PUTTING THE RECORD STRAIGHT.

Mr. Jenkin still persists in the claim that his plans will streamline local government and improve efficiency.

Yet there's overwhelming evidence, from independent sources, that his planned abolition of the metropolitan county councils would be a costly and senseless move. Creating more complex and less accountable local government. (Rather like the time he 'streamlined' the Health Service by increasing the number of bureaucrats in it.)

The Environment Secretary has also speculated that abolition will save up to £120 million a year. But Coopers & Lybrand Associates, a team of top management and financial analysts, say otherwise. Concluding that the re-organisation could cost hard pressed ratepayers another £61 million every year.

> "At a time when many European countries are moving towards a greater degree of local responsibility, local government in this country is moving towards increasing direct control by ministers."
> (ROYAL TOWN PLANNING INSTITUTE, JANUARY 1984).

> "The most sensible course of action would have been to hold an impartial inquiry."
> (SOCIETY OF LOCAL AUTHORITY CHIEF EXECUTIVES, JANUARY 1984).

> "A major constitutional change is being proposed without clear rationale and without any assessment of the present system, appraisal of alternative ones or estimate of the costs."
> (ROYAL INSTITUTE OF BRITISH ARCHITECTS, JANUARY 1984).

> "The Association . . . pleads with the Secretary of State to withdraw the proposals in the White Paper and to make no further proposals for major change in the local government structure of the metropolitan areas or elsewhere without a full-scale and independent commission of inquiry having been set up and reported on the matter."
> (TOWN AND COUNTRY PLANNING ASSOCIATION, JANUARY 1984).

> "The Group are concerned at the apparent haste with which the proposals have been formulated and are being pressed forward. They see grave dangers in allowing the supreme power of Parliament to be used to make important constitutional changes with such haste and with such disregard for conventional constitutional safeguards."
> (LAW SOCIETY LOCAL GOVERNMENT GROUP, JANUARY 1984).

Mr. Jenkin believes that the Government still has a mandate to summarily dismiss a major, democratically elected tier of local government. (Which is rather surprising, since many more people voted against the Government's abolition manifesto, than for it.)

What's more, he knows better than anyone the depth and breadth of critical response to his plans. From industry and commerce, professional and academic institutions, the Church, voluntary organisations and individuals.

And now this week, Mr. Jenkin has the arrogance to push through an abolition Paving Bill, designed to scrap next year's metropolitan county council elections.

Even though some of the Bill's harshest critics are senior ministers and elder statesmen of Mr. Jenkin's own party who fear that such a premature measure is constitutionally suspect. And even though he is being assailed from all sides by demands for a full and independent inquiry into the fundamental issue of abolition itself.

THE GAME IS UP.

The truth is that the Government's real reason for abolishing the metropolitan county councils is born out of political expediency.

At a stroke, it can rid itself of a powerful and vocal group of elected representatives, whose policies the Government just doesn't like. Achieving a massive centralisation of power at the expense of local government's accountability for countywide services.

Yet, Mr. Jenkin may still come unstuck.

Because as a responsible minister he surely cannot continue to ignore the unparalleled level of disquiet being voiced.

The metropolitan county councils have long been ready and willing to participate in any full and independent review of local government structure and finance.

Indeed, they've never claimed the present system is perfect, or that it should be above change.

But they have always sought to provide the greatest possible benefits to the 11 million people they serve.

Including the benefit of an inquiry, which so many are demanding.

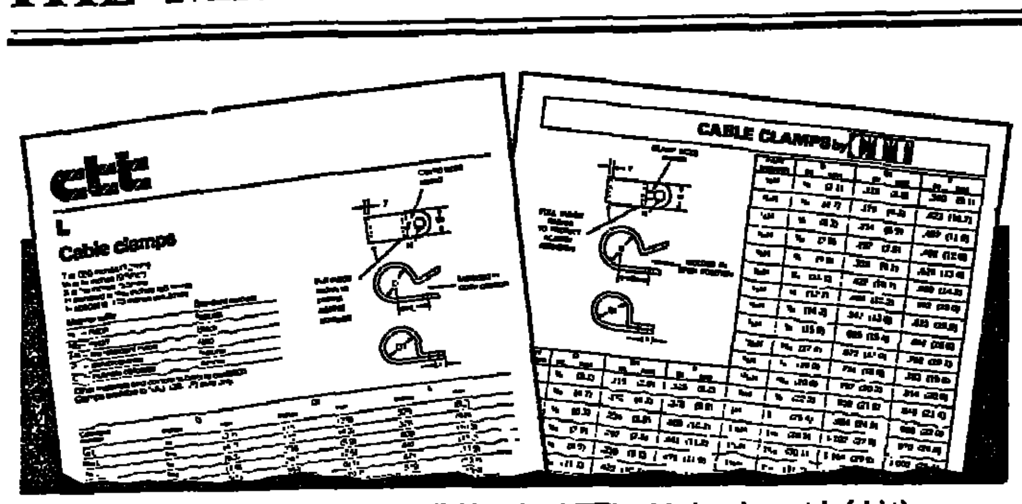
> "It has become urgent for the Secretary of State to provide a detailed breakdown of the savings expected and clear guidance . . . on where and how economies should be obtained. Only if such evidence and guidance is forthcoming, can the continued support of the business community for abolition, be counted upon."
> (THE ASSOCIATION OF BRITISH CHAMBERS OF COMMERCE, APRIL 1984)

> "The better approach . . . would be to institute an inquiry into the role of all authorities in these areas, and, depending on the results of the inquiry, to redefine the respective roles as thought necessary."
> (HAMPSHIRE COUNTY COUNCIL, JANUARY 1984).

ISSUED BY THE METROPOLITAN COUNTY COUNCILS OF GREATER MANCHESTER, MERSEYSIDE, SOUTH YORKSHIRE, TYNE AND WEAR, WEST MIDLANDS AND WEST YORKSHIRE. FOR FURTHER INFORMATION, WRITE TO THE CHIEF EXECUTIVE, GMC, COUNTY HALL, MANCHESTER M60 3HP.

THE MANAGEMENT PAGE: Small Business

EDITED BY CHRISTOPHER LORENZ



An updated logo and presentation (left) replaced CTT's original catalogue style (right)

Why Reg Pullin decided to change his image

BY CARLA RAPOPORT

IMAGE, identity, graphics and design are concepts which are rarely associated with small companies that make cable terminals. The business of making widgets has always been considered a straightforward one, merely requiring the manufacturer to make reliable products and deliver them on time.

But even the widget industry has its heretics. Reg Pullin started up his own cable terminal business seven years ago. (Cable terminals connect electrical wires to appliances as diverse as hairdryers and power generators.) In 1982, Pullin went looking for a company to redesign his catalogue. He ended up buying a re-design of nearly everything in his company, from his cable terminal packaging to his office furniture and carpets.

The results of this face-lift, which cost about £50,000 in consultancy fees, have only just begun to roll in at Pullin's Bristol-based company, Compression Terminals and Tools (CTT). Even so, he fiercely defends the move as a sensible one for a small company seeking to make its name in a competitive market.

"British industry is full of too many of yesterday's men following yesterday's ideas," he says. As a company aiming to compete against well established multinationals, CTT couldn't just provide good products and good service, he says.

"If you are doing a professional job, you must look like it. We had developed great skills and know-how, but we didn't have the time to figure out how to present ourselves."

A chance visit to the Design Centre in London led him to Lloyd Northover, a graphic design company based in nearby Soho. The design company came up with a glossy new catalogue for CTT, as well as a new red, blue and green logo.

But why a glossy book with the look and feel of a Habitat catalogue just to sell cable terminals and tools? "No matter what the product, a customer wants to be able to find what he wants quickly. I've seen people struggling with catalogues for years' some of them needed to take on an employee just to decipher their suppliers' catalogues," says Pullin.

"Why should it be easier to order an armchair for your sitting room than a very important cable terminal for your business?" he asks.

Before starting his own business, Pullin worked in product distribution for GEC for 19 years. In that time, he saw that many companies had been using the same catalogue for 50 years. "Lots of businessmen have the attitude that if it was good enough for my father, it is good enough for me. We can't afford to think like that."

Customer response to the new catalogue was very positive, according to Pullin. So when a new office building was bought, Lloyd Northover went along to design all the offices, exhibition stands and showrooms.

"Many companies think of corporate identity as an artistic activity. It isn't," says Jim Northover of Lloyd Northover. "We think of it as a business tool, just like managament, financial planning, R & D and investment."

Lloyd Northover designed CTT's stand for the bi-annual Electrics Exhibition held earlier this year. "We didn't have any seats on the stand, and no drinks were available. We looked lively and energetic, we weren't just sipping gin and tonics," says Pullin. And the *number of business inquiries* at the stand were 110 per cent up on that received at the 1982 exhibition stand, he says.

The bottom-line proof that bold colours and design do help to sell widgets will not be quantifiable until early next year, according to Pullin. The company has been growing at between 32 and 38 per cent per year over the last five years, with most of the profits *ploughed back into the business.* Sales this year are expected to be around £3m. If his hunch pays off, the group's strong identity, wide product range and commitment to customer service will allow it to double its sales within four years and to consider going for a listing on the Unlisted Securities Market.

"The traditional background of British business has been a very comfortable arrangement: you don't rock my boat and I won't rock yours. We're not playing that game," he says.

Export administration

High cost of inefficiency

SMALLER companies are not getting the most out of their export efforts because they fail to give sufficient attention to administering their overseas sales.

According to David Royce, director general of the Institute of Export, the problem generally comes down to the fact that smaller companies leave export administration to people who lack the necessary training to deal with it.

The scale of the problem can be seen by the Simplification of International Trade Procedures Board's (Sitpro) estimate that £1bn a year is lost by UK exporters generally—large and small—as a result of their goods being delayed in transit and subsequent payment being held up by inefficient administration procedures.

Sitpro—part of the British Overseas Trade Board—maintains that smaller companies are particularly prone to these added costs, which represent about 3 to 4 per cent of the value of the goods they export. Multinationals, on the other hand, manage to limit these costs to 1 per cent or less.

One of the problems is that transport documentation has *not kept up with the developments* in the transport of goods. Ray Walker, Sitpro's chief executive says: "We have a system of procedures that was devised during the days of the sailing ship.

"One of our jobs here is to identify the procedural barriers and then push to get the constraint out of the way altogether or reduce its effects.

"However," he continues, "the biggest problem we face is that, with some notable exceptions, industry and commerce does not appreciate it has a problem at all."

Costs arise as a result of any of three things. First there are the costs for producing required documents and supplying them to the required point.

Then there are costs of delay—caused by goods being stopped because insufficient or incorrect information has been provided.

Finally, there are the costs of errors. One example of these is that more than 50 per cent of Letters of Credit are rejected when first presented because they are incorrect. Sitpro claims that UK companies lose up to £50m a year in increased interest charges and administration costs as a result of such easily avoidable errors.

Elaborating on the need for the right calibre of personnel to handle exports, David Royce says: "Recently, we invited a director here to give a presentation to a group of small export companies. When asked the question about 'what makes a good export company, she pointed out that ideally you need a first-class shipping manager (earning £16,000 not £8,000) and a bilingual secretary.

"Export administration is a little area where you can make a percentage point or two improvement—which can be very important. After all, if you can reduce your costs by 2 per cent, it might make all the difference between a profitable and unprofitable contract," he says.

Sitpro believes that in its drive to simplify exporting, one of its greatest achievements was to have inspired a United Nations format for the layout of export documents—the Aligned UN Layout Key—which has been adopted worldwide. Sitpro claims that companies using the system can reduce their documentation costs by about 50 per cent.

Following on from these developments, it has written a *software package, SPEX,* for export documentation, which can be used on nearly 40 different types of computers. A further software package, Interbridge, enables computers from different manufacturers to communicate with each other.

David Hellier

Enterprise in schools

"I'm afraid that Susan Brown of IVB is out of the school on business at the moment."

"Do you realise that you have just given the managing director of SCIP Enterprises a detention for the evening he has his board meeting?"

These quotations entertainingly illustrate one of the problems faced by the 850 secondary school-based "mini-enterprises" which Dr Ian Jameson of the Schools Council Industry Project "crudely estimates" to have been set up in England and Wales.

In a paper delivered to last week's conference organised by the Careers Research and Advisory Centre and the National Institute for Careers Education and Counselling, Jameson explores the increasing interest being shown in setting up small businesses as part of school activities. He concludes that in too many cases they develop outside the traditional timetable.

"For all those who believe that we need a more practical curriculum," he says, "... it is important that enterprise is in the mainstream curriculum of the school."

Jameson points out that the objectives of many schemes vary, and emphasises that "the enormous range of activities that sails under the enterprise flag in schools should warn us against simple explanations."

Among the factors influencing objectives of the scheme are those groups which have always urged schools to draw closer to industry, the rising importance of the small firms sector, the increased emphasis being placed on the service sector, and youth unemployment, together with a number of strands of educational thought.

Besides those he describes as "noble" or "educationally legitimate," Jameson draws attention to the discovery by several schools that their businesses can make money—in some cases lots of money. In one case, for example, a school software enterprise netted annual sales of £25,000. "In the current parlous state of school financing this can be a very considerable temptation. It raises in an acute form the question of whether the goals of such enterprises should be 'learning' or 'earning'."

The paper also implicitly criticises those enterprise programmes where the main beneficiaries are the teachers, not the students. "They provide a particular attraction to that small group of teachers who have half a mind to leave teaching and join the 'wealth creating sector of the economy'."

T. D.

The CBI opts for a down-to-earth spokesman

BY TIM DICKSON

Alan Stote: worked in a business going through all stages of growth

THE RECENT elevation of 35-year-old Alan Stote to the chair of the Confederation of British Industry's Smaller Firms Council represents more than a cosmetic change for Britain's major industrial lobbying group.

Stote, for example, is certainly the youngest businessman to have held this important post; he is the first incumbent to hail from a region North of the Watford Gap (Halesowen in the West Midlands); and he is also the first to come from a working class background, his father having been an electrician before setting up the family tyre re-treading business in the early 1960s.

The result is that he presents the sort of rugged, self-made image which is well in keeping with the entrepreneurial spirit of the mid 1980s. "They wanted a bit of rough," he jokes modestly, though insiders at Centre Point, the CBI's headquarters in London, say his abilities are more than adequate to command the respect of colleagues on the council.

Stote's appointment, however, is particularly interesting at a time when the CBI has been accused by other small business groups of not adequately promoting the small firms' cause. Stote readily admits that the confederation tends to attract "a particular type of small business—the limited liability company which is expanding and which is aware of the benefits of political influence." But he is keen to dispel the big business, multinational image, emphasising that more than half the 1,800 firms which contribute to the famous Quarterley Trends Survey have less than 200 employees (the Government's broad definition of what is "small").

Ironically his own business—the BTS Group of Halesowen which he owns with his brother and where he works as chief executive—has been so successful in the last year that it now employs 230 people (as opposed to 190 when he was appointed chairman-designate of the Smaller Firms Council a year ago). Starting out in a disused church, BTS has diversified from re-treading into tyre and exhaust retailing, battery manufacturing, high precision engineering and property investment.

Discussing the years since he joined his father as a shift worker in 1967—" his main motive was to get some cheap labour" he recalls mischievously—Stote points out that he has "had the experience of working in a business going through all the stages of growth."

Speaking after last week's bi-monthly council meeting, he says his biggest hope is "to see demand and the economy generally improving so that all businesses can prosper." On the Government's specific schemes to help small firms, he adds: "I trust that the present simplification of the 100 or so measures will not end up with some of them being less practical than before."

The message he is most anxious to get across, however, was non-political. "I sometimes worry that small firms are not as professional as they could be. Too many people wrongly believe that if you are capable of making something you don't have to bother about marketing or financial management. Many more firms could help themselves with a bit of self-education."

Business Opportunities

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

INTERNATIONAL OPPORTUNITY
FINANCIAL ORGANISATION OFFERS NATIONAL/INTERNATIONAL CONSULTANCY OPERATION
Acquisition & Divestment – Research Studies & Int. Investment available
Company Reporting – Research & Appraisal
Market Potential – Competitor Activity
Joint Collaboration – Connections established – Int. Co. representation
Executive Assignment – Financial/Diversification studies
Information available from: C. H. Wheeldon, Howard Grant & Co Ltd
25 Highfield Road, Edgbaston, Birmingham B15 3DP – Tel: 021-455 0559

Opportunity in Dammam
SAUDI ARABIA
UK light engineering and service company has the following under-utilised facilities:
1 16,000 square feet premises
2 Modern, 6,000 sq ft factory
3 Standard Engineering Workshop machines
4 Small skilled labour force
5 Good, sound Saudi Arabian partners
We invite UK companies interested in operating in this region to contact us for informal discussions.
Write Box F4791, Financial Times 10 Cannon Street, EC4P 4BY

PROPERTY FINANCE
Medium Long Term interest-only Mortgages now available at:
12% p.a. Fixed or Variable
Secured on good quality commercial and industrial properties for investment or owner occupation. Minimum loan £150,000. No endowment or pension policies required.
Seymour Adelaide & Co Ltd
88 Baker Street, London, W1
Tel: 01-935 2382

REAL LOG FIRES
Quote: "A domestic open fire which burns real logs properly is more efficient than a gas-fired domestic furnace," says our Chartered Engineer [illegible]
Hence elevations abound but only our hearth, designed, developed, proved and with patents pending provides an efficient real log fire. It has a grill attachment for indoor barbecues. Enquiries are invited for the purchase of licences for DTI Regional areas.
REAL LOG FIRES LIMITED
46 Lower Street, Pulborough West Sussex

BUSINESS SALES
Chemists Sundries Business with t/o £700k and net profits in excess of £50k. Price £140k.
Shipping Forwarding Co. seeks expansion capital of £30k. Equity available. Good profit potential.
Write: BUSINESS SALES LTD.
8 Park Road, Beckenham Kent BR3 1QD

BUSINESS EXPANSION SCHEME
Equity opportunity
Growing Services Company with technical and computer bias seeks capital funding to aid expansion.
Principals should apply to: Box F4774, Financial Times 10 Cannon Street, EC4P 4BY

INVESTMENT/COMMERCIAL PROPERTIES FOR SALE
First class secondary positions. Mainly own developments. Income in excess of £225,000 pa. Offers required showing minimum of 10% [illegible]
Write Box F4800, Financial Times 10 Cannon Street, EC4P 4BY

LOOKING FOR ACQUISITIONS?
Over 450 opportunities to acquire going concerns or business assets were available last year. Cost £30 p.a.
Free sample and introductory offer from: The Insolvency Supplement 2 The Mall, Bristol. Tel. (0272) 737222

SUCCESSFUL AND ESTABLISHED GROUP
specialising in Packaging seeks new products to compliment existing range. Would be interested in either acting as manufacturer or distributor
Write Box F4801, Financial Times 10 Cannon Street, EC4P 4BY

PUBLIC COMPANY
Seeks commercial situations with underlying property assets for development or investment
Cash or shares available
Write Box F4796, Financial Times 10 Cannon Street London EC4P 4BY

IBAs. BRISTOL—100% on 7 units, 50% on 1 unit. Rental guarantee. £325,000 showing 8.5% net excluding tax allowances. Contact S. Haywood, Harwell/Taylor/Cook. Tel: (0272) 739081.
YOUNG COMPANY in communication data publishing industry with successful track record requires additional capital investment £10,000 to £30,000. Excellent growth opportunity. For information write: M. H. Ltd., 24 Glebe Place, London SW3 5LD.

Merger Opportunity
Expanding defence contractor, private company assessed to Def. Standard 05/24 (with substantial non-military turnover) currently supplying North America, Middle East, UK M.o.D. with very experienced management team seeks partner, preferably small UK quoted company seeking positive new sense of direction. Would consider merger with complementary private company prior to reverse into fully listed or USM company. Principals only please reply Box No. F4783, Financial Times, 10 Cannon Street, London EC4P 4BY.

WE MANUFACTURE SPECIAL PRODUCTS FOR USE BY ALL MILITARY FORCES IN THE WORLD
The products are unique, repeatable and sell in very large volume. They can save all governments huge sums of money. Nearly every country is of interest to us and financial rewards could be extremely high for all parties. We are interested to enter into negotiations only with individuals who have the right contacts at very top level.
Write Box F4806, Financial Times 10 Cannon Street, EC4P 4BY

INVESTMENT/FINANCIAL INSURANCE AGENTS
New Product available with Tax advantages & high security
For details contact:
LAMMAS INVESTMENTS LTD.
Freepost, Staines TW18 1BR
Tel: 0784 52488

ASSEMBLY CAPACITY REQUIRED
International company requires capacity for the assembly of Electro/Mechanical products to high UK and international standards. Preferred location: Northern Home Counties. *Apply to:*
Peter Godfrey on 01-248 3200

URGENTLY REQUIRED
by a discreet international purchasing organisation who pay the best prices plus give immediate decisions for discontinued/redundant/liquidated stocks of high quality gift orientated merchandise. Gift/social/novelty stationery/office supplies/office equipment our speciality.
Phone MARTIN ABRAHAMSON/ANDREA CONRAD 061-834 3779
Telex: 665534 – or write to:
RMS Wholesalers, International
9 Chapel Walks, Manchester M2 1HN, England

B.E.S.
Investment invited for a well capitalised and established mineral extract company
Pre-tax profits estimated at over £200,000 for the next financial year
Money required for further expansion
Write Box F4795, Financial Times 10 Cannon Street, EC4P 4BY

POOLE — DORSET
Close to Harbour side and Town Centre 14,000 sq. ft. of excellent modern Air conditioned offices to Let as a whole or in three suites of approximately 5,000 sq. ft.
LETTING AGENTS
ENSORS
(0202) 687500

EXPORT TO SAUDI ARABIA
Arrangements leading to distribution of products or local manufacture
Principals only reply to Box F4296, Financial Times 10 Cannon Street, EC4P 4BY

33% PROFIT
PARCEL OF 6 BUILDING PLOTS FOR SALE ON SW SPANISH COAST
£47,500
Worth £63,300 at Single Plot price Golf and Leisure Complex with all services laid and full building permissions obtained. May sub-divide. Building facilities available.
All title inspection and transaction handled through solicitors.
Contact PETER HALL (0442) 833241, EXPORT EXPANSION LTD., Flaunden Lane, Bovingdon, Herts.

MY OWN BUSINESS.
YES, BUT WHICH ONE?
New Business magazine details the secrets of success. 100 fact-packed pages show you exactly how to prosper. *No obligation information free from:*
DEPT FT/4/14, NEW BUSINESS
21 Wren Street, London WC1X 0HF

COMMERCIAL MORTGAGES
BUSINESS/INVESTMENT FINANCE
Shops, Offices, Pubs, Hotels, Nursing Homes, Factories, etc
ACQUIRE FINANCE LIMITED
2 Peterborough Road
Harrow, Middlesex
Tel: 01-423 1288 (10 lines)

ASSETS of Insolvent Companies for sale. Receiver & Liquidators Classified. 01-637 3036.

SMOKING ACCESSORY prevents fires & reduces smoke from cigarettes. Patentee offers on Royalty or outright. Box F4809, Financial Times, 10 Cannon Street, London, EC4P 4BY.

PART TIME FINANCE DIRECTOR available for small and medium companies. For details ring 073-081 3793.

FOR SALE to highest bidder: inventor offers revolutionary fitness machine, professional/home, worldwide potential. All manufacturing and patent rights included. Write Box F.4798, Financial Times, 10, Cannon Street, London EC4P 4BY.

COLLEAGUE REQUIRED with knowledge banking, exp/imp, securities, etc., to help draft forms, documents and assist with contracts. Write Box F.4794, Financial Times, 10, Cannon Street, London EC4P 4BY.

FOR SALE
GAMBLING CASINO AND HOTEL
Located in one of Europe's most famous resorts. Casino and Hotel operation profitable: Hotel built in 1971, completely renovated with 800 beds. Tax advantages. Enquiries from principals only furnishing information about current business activities.
Contact:
GLOBE PLAN S.A.
Av. Mon-Repos 24
CH–1005 Lausanne.
Tel: (21) 22 35 12
Telex: 25 185 mefis ch

ARE YOU A WELL-INTRODUCED TRADING COMPANY
THEN YOU SURELY NEED AN EXPERIENCED CO-ORDINATOR IN ZURICH
For complex international negotiations with all related banking operations (industrial goods and raw materials preferred) with solid infrastructure and telecommunication administration.
Contact: Erwin P. Judd
ITAG LIMITED
Schipfe 7, 8001 Zurich, Switzerland
Tel 01/211 35 43 – Telex 812355
and include references

CAPITAL REQUIRED
New computer software company wishes to market its own brand new financial training/educational package. We seek financial backer to exploit this demonstrable market opportunity.
Principals only please to: Box F4803, Financial Times 10 Cannon Street, EC4P 4BY

Equity Funding
● Investors: VCR details c.100 researched projects p.a.
● Entrepreneurs: VCR helps raise finance on good terms from a compatible partner.
● Fortnightly Insolvency Supplement available separately.
● Venture Capital Report is represented throughout the UK.
VCR, 2 The Mall Bristol. Tel. (0272) 737222

NEW PRODUCTS
We specialise in finding partners for companies offering/seeking Manufacture under Licence and Technology Exchange Agreements also Joint Ventures and Company Sales/Acquisitions
LLOYD REUTER ASSOCIATES
84 Blind Lane, Bourne End, Bucks
Tel: 06285 24575

PARTNERSHIP
Ex chief executive of a national PLC seeks financial and part-time executive involvement — ideally in retailing or manufacturing
Write Box F4792, Financial Times 10 Cannon Street London EC4P 4BY

BUSINESS EXPANSION SCHEME
Well established export orientated high fashion leather clothing manufacturing business, London W1, seeks marketing director/entrepreneur/s able to match existing investment (6 figures). The risk element can be guaranteed against loss.
Write Box F4805, Financial Times 10 Cannon Street, EC4P 4BY

BASINGSTOKE
New factory December 1985
11,000 sq ft at £3.75 per sq ft
Advertiser would welcome sharing venture. Preferably engineering product. Fully established engineering business adjacent for support. All responsible replies answered.
Write F4810, Financial Times 10 Cannon Street, EC4P 4BY

TAX HAVEN INSURANCE COMPANY
NEVER USED
US$15,000 for quick sale
Principals only
Appt. in London:
Telephone Mr. Glenn
01-581 3311, ext. 501

PRODUCTS REQUIRED
Marketing company seeks suitable products for Mail Order business. Foreign companies welcome
Write Box F4807, Financial Times 10 Cannon Street, EC4P 4BY

FINANCIAL SERVICES COMPANY
interested in purchasing recruitment agency in West End
All details treated in strictest confidence. Replies: The Chairman c/o Box F4808, Financial Times 10 Cannon Street, EC4P 4BY

FOR SALE
WINE AND SPIRIT IMPORTERS AND WHOLESALERS
Established 40 years
Turnover £1.2m., own bottling plant, modern spacious building, ample parking
£90,000 for benefit of lease, goodwill, motor vehicles, fixtures, fittings and equipment plus stock on valuation
Would consider part participation
Principals Only
LLOYD BARR & PARTNERS,
9 Cavendish Square, London W1M 9DD

BUSINESS MAILING LISTS—Hundreds of ready-built Lists immediately available. Free catalogue. Marketscan, Stirling House, Stirling Rd., Chichester, Sussx. T: (0243) 786711.

FRANCHISES

Wendy HAMBURGERS

Whilst our US parent company, listed on the New York Stock Exchange, continues to demonstrate the fastest growth rate in our industry, Wendy Restaurants (UK) Ltd is following in their footsteps.

We are inviting discussions with qualified entrepreneurs, who are willing to develop 5 restaurants under licence in the Greater London area.

Please write to

John Rome,
Regional Vice President,
Wendy Restaurants (UK) Ltd,
140A Gloucester Mansions,
Cambridge Circus,
LONDON WC2H 8HD

PERSONAL COMPUTER FRANCHISE!
Britain's premier personal computer specialists offer a unique opportunity to share in their expertise and success.
As the company who first introduced Apple to the U.K., Personal Computers Ltd. London, are in the forefront of this important and expanding market. Personal Computers Ltd. are major distributors for Apple, I.B.M. and D.E.C. and are appointing a limited number of individuals or organisations to establish outlets in the U.K.
Investment approx. £70,000.
Contact Mr. Bryan Wilkes, Personal Computers Ltd., 3 Castle St., High Wycombe, Bucks. Tel. 0494 32831.

PROFITS WITH A HIGH CEILING
Suspended ceiling after care is a specialised job. With the expertise and right equipment you have the basis for a successful business in a growing market.
Conder Clentech's proven business opportunity is now being made available in principal locations throughout the U.K. and Western Europe. You will enjoy the benefits of their comprehensive business package and continued marketing support.
Greater London For an initial investment of £50,000 (finance available) you could be one of only ten Super Franchisees in this market conservatively estimated at £10 million.
Europe Master licences now available for most major locations throughout Western Europe.
Interested? Contact Ray Childs:
CONDER CLENTECH
Abbots Barton House, Worthy Road, Winchester, Hants. England.
Telephone: Winchester (0962) 63577
Telex: 477639 CONHRD G
Part of the multi million £ turnover Conder Group. Registered with the British Franchise Association.

SUCCESS NOT GUARANTEED
BUT
* If you want to be in business for yourself, but not by yourself.
* Backed by the world's largest chain of independently owned quick print shops.
* Knowing that franchising can dramatically cut the risk of starting up on your own.
* Providing a service genuinely needed by virtually all businesses.
* And you have the necessary £15-20,000 capital available.
Then, if you have real energy, drive and can get the best out of people, speak to us. About succeeding.
Kall-Kwik PRINTING
Kall-Kwik Printing (UK) Limited, Victoria Road, South Ruislip, Middlesex HA4 0JF. Telephone: 01-841 3131

FRANCHISE ADVERTISING
Appears every Tuesday

PLANT & MACHINERY

WE PAY CASH
for
Surplus Bearings & Fastenings
ODD BALL/ODD BOLT
021 - 520 8271

FORK LIFT TRUCKS—Caterpillar, Hyster Yale and Lansing Bagnall. Over 60 trucks to be moved quickly to make space. 1-10 tonnes from £600 to £6,000. Birmingham Fork Lift Truck Ltd., 4-8 Hams Road, Saltley, Birmingham B8 1DU, England. Tel. 021-327 5944.

ROLLING MILLS, SLITTING LINES, WIRE AND ROD PLANT. Tel: 0902 [illegible] Telex 336414. Wednesbury Machines.

BUSINESS SERVICES

METALLISED POLYESTER FILM
Manufacturing company can offer regular supplies of lacquered or unlacquered metallised polyester film in 12, 15 and 18 micron gauge.
Write Box F4802, Financial Times 10 Cannon Street, London EC4P 4BY

YOUR NEW BRISTOL OFFICE
is now ready
Short or long term lets, fully furnished, fully serviced, expertly staffed. The highest standard full service accommodation in Bristol — at extremely good value. It's all here, ready for you to start work immediately.
Phone Brenda Pearce on 0272 277641 (office hours)
Crosswicks House
9 Small Street, The Centre
Bristol BS1 1DB

ISLE OF MAN COMPANIES TRUSTS & TAX PLANNING
Fast confidential low cost service with full backup. Nominee directors shareholders. Registered office full administration: Telex, Phone and Mail forwarding. Companies formed and bank introductions worldwide. *For professional advice and Brochure — Phone, Write or Telex:*
GL & CO.
2 Water Street, Ramsey, Isle of Man
Tel: 0624 812256 or 814321
Telex: 628886 Invest G

PensGiftsPens
★ Advertising Pens & Gifts
★ Promotional Pens & Gifts
★ Souvenir Pens & Gifts
★ Novelty Pens & Gifts
★ Luxury Pens & Gifts
Ask for colour catalogues
01-346 8421 (24 hours 8424)
Telex 28732 EMCPEN G
emc THE PEN PEOPLE
42 Hendon Lane, Finchley N3 1TT

MICROCOMPUTER EDUCATION FOR THE SENIOR EXECUTIVE
London's first computer education centre for Directors and Senior Managers.
A wide range of courses provide the strategic and operational knowledge today's executive needs.
Expert staff and superb one-person/one-computer facilities.
Ring or write for details:
THE EXECUTIVE COMPUTER CENTRE
24-28 New Bond Street, London, W1
Tel: 01-629 9355. Telex 27687

LET US EXPAND YOUR BUSINESS
CONSUMER PROMOTIONS
BUSINESS TO BUSINESS MARKETING
TRAFFIC BUILDERS
PREMIUMS & GIFTS
DIRECT RESPONSE
DESIGN & PRINT
01-629 1605

HIGH-QUALITY PROFESSIONAL EXPERTISE AND CONFIDENTIALITY
enables Companies to be sold to any one of our numerous clients who wish to acquire concerns with turnovers from £75,000 to £5,000,000 per annum.
Apply in strict confidence to:
Box F.4799, Financial Times 10, Cannon Street, London EC4P 4BY

OFFSHORE TAX SHELTER
Non-Resident Limited Companies £110
CONFIDENTIAL QUALIFIED ADVICE
COMPREHENSIVE ADMINISTRATION SERVICES
Bank Accounts, Power of Attorney, Directors/Secretary, Registered Office.
Isle of Man/Worldwide
ISLAND RESOURCES LTD.
Ballacurrie House
Summerhill, Isle of Man
Telex: 628352 Island G
Tel: (0624) 28020/28933/20340

LIMITED COMPANIES
FORMED BY EXPERTS
FOR £103 INCLUSIVE
READY MADE £111
COMPANY SEARCHES
EXPRESS CO. REGISTRATIONS LTD.
Epworth House
25-35 City Road, London, EC1
01-628 5434/5, 7361, 9936

NEW LICENSING OPPORTUNITIES
Monthly publication reports on new product licensing opportunities (and joint ventures) from all over the world. *For details of FREE TRIAL OFFER, write today:*
TECHNOLOGY TRANSFER INTERNATIONAL, Dept FT4
15 Selvage Lane, London NW7 3SS

MORTGAGES
on Commercial, Industrial, Residential Properties
— at competitive rates
Write or telephone:
HIRSCH MORTGAGE (INT'L) LTD
Europe's leading Mortgage Brokers
15 Berkeley Street, W1
Tel: 01-629 5051 - Telex: 28374

FOR PEOPLE WITH DRIVE
CARPHONE
No-one knows more about car telephones than Carphone – and no-one is better placed to show you how your business could benefit from them. We will sell or lease as you wish, the right model to suit your needs. Direct Dialling from your own car can cost as little as £2.60 per day! No-one offers more choice either, not to mention the highest quality installation work.
● All models Direct-Dial
● 24hr. installation with car collection and delivery
● Customised installations our speciality
● Full after-sales service
● "Lowest rates" finance
PART EXCHANGE – Yes! We'll even take your old equipment in part exchange. For full details from the people who know, ring:
SECURICOR CARPHONE
47-49 St John's Wood High Street, LONDON NW8
Tel: 01-586 9882
Telex: 444229
and Bridge Farm, Bedhampton
Tel: 0256-28286
[illegible]

DO YOU NEED MONEY?
DO YOU OWN A BUSINESS?
DO YOU WANT TO START A BUSINESS?
DO YOU NEED DOWN TO EARTH ADVICE & GUIDANCE?
We will listen to realistic business propositions
Shaw, Wright, Staff & Assoc.
116 Brompton Road, London SW3
Tel: 01-584 6675

A COMPLETE FINANCING SERVICE
available for business restructure expansion development acquisition from:
Capital Investment Agency
Europe House
World Trade Centre, E1 9AA
Tel: 01-481 0725 or 01-487 7282
(24 hours) - Telex: 8952150

LIMITED COMPANIES
Formed with own choice of name!
Ready made and available to trade at once! Liberian and Panamanian companies! Credit Cards accepted!
Very fast personal service!
J. P. Company Registrations Ltd
New Companies House
17 Widegate Street, London E1 7HP
Tel: 01-377 1474 - Telex: 893911
(1 min. walk from Liverpool Street Station)

£2 A WEEK FOR EC2 ADDRESS combined with phone messages and telex under £5 a week. Prestige offices near Stock Exchange. Message Minders International 01-628 0898. Telex 8811725.
RETIRED DIRECTOR, major Group, travels regularly in France. Fluent French. Modest fees. Welcomes commissions/assignments. Write Box F.4797, Financial Times, 10, Cannon Street, London EC4P 4BY.

Your own representation in Düsseldorf City
West Germany
Ideal set up for firms starting a new business or needing part-time use of office and representation facilities.
Exclusively furnished executive offices and conference rooms for 10 to 80 persons – individual rent periods.
Multilingual secretariate. Telephone service, Telex – mail service – word processing. Rooms for video/film/overhead facilities. Reception lounge 300 m² with bar. For brochure:
OFFICE+SERVICE-CENTER INTERIM-BUROS GMBH
[illegible]

Before you are TURNED DOWN BY YOUR BANK
Contact us on 01-629 7363
Highly qualified bankers and financiers capable of structuring and organising your financial requirements. Close connections with major institutions ensure quick decisions on all types of lending. Minimum loans £50,000.
Specialists in financial packages of £1m+. Fees only paid when facilities agreed.
Barling Finance Brokers
18 Queen St, Mayfair, London W1X 8JN

ESSENTIAL TRADE GUIDE TO JAPAN FREE
Invaluable free Introductory Guide to doing business with Japan from:
The Japan Intelligence Unit
NORTH OXFORD ACADEMIC,
242 Banbury Road, Oxford OX2 7DR
Telephone: (0865) 51 11 65

OFFSHORE & UK COMPANIES
IMMEDIATELY AVAILABLE
Isle of Man, Caribbean, Liberia, etc.
Full, domicile & nominee services
Bank accounts opened
SELECT COMPANY FORMATIONS
Mt Pleasant, Douglas, Isle of Man
Tel: Douglas (0624) 23718
Telex: 628554 SELECT G

CHAIRMAN'S OFFICE SUITE, luxuriously furnished and immediately available in Mayfair prestige building. Private telex. Phone: 01-437 3306.
MARBLE ARCH—Confidential accom. address. Telephone answering. Telex, word processing, secretarial and luxury offices. Facilities from £2 pw. C. & C. Business Services Ltd. 01-402 9461.

COMPUTERS

FOR SALE—One Prestel System, nearly new. Telephone Windsor 55777.

BUSINESSES WANTED

COMPANY WANTED
BUILDER'S SUB-CONTRACTING
Our clients are looking to EXTEND their range of SPECIALIST, SUB-CONTRACTING building skills through the acquisition of MANUFACTURING/SERVICE companies.
★ MECHANICAL/ELECTRICAL ENGINEERING
★ CEILING/PARTITIONING
★ CLADDING/ROOFING
★ SECURITY/FIRE PROTECTION
★ ENERGY SAVING
would be of interest, as would any other business with a SPECIALITY NICHE in the market. SIZE/PROFITABILITY/LOCATION not restricting.
All replies in ABSOLUTE CONFIDENCE:
C. N. Kenyon
KENYON BUSINESS SERVICES LTD.
Sumlock House, 314 Chester Road
Hartford, Cheshire. Tel: 0606 888810

A recently Public Quoted Company
whose business is the distribution of
ELECTRONIC COMPONENTS & COMPUTER PERIPHERALS
seeks to acquire companies engaged in these areas which satisfy the following criteria:
a) Annual turnover not less than £500,000
b) Currently profitable, although loss making companies would not necessarily be precluded depending on circumstances
c) Based preferably in the South of England
For further details, please submit all information, in strictest confidence to: Box G9632, Financial Times, 10 Cannon Street, London EC4P 4BY

WANTED FOR ACQUISITION
PK Arts Ltd as part of its planned expansion programme is seeking to acquire companies in the promotional clothing and sales promotion fields. Of particular interest are screen printers, embroiderers and companies involved in the supply of corporate business gifts.
All sizes of companies considered as well as management and/or financial assistance where total sale is not contemplated.
Write in the first instance giving brief financial details to: The Chairman, PK Arts Ltd., 26 Stokes Croft, Bristol BS1 3QD. All enquiries treated in strictest confidence.
PK THE ART OF PROMOTION

MUSIC PUBLISHING
International company seeks to purchase a reputable music publishing company with a primarily classical and contemporary classical catalogue. Present management and staff could remain on suitable terms. Full details in strictest confidence to Patrick Stevens,
Finnie Ross Allfields,
Kreston House, 8 Gate Street,
London, WC2A 3HJ.

HAIRDRESSING SALONS
A known established hairdressing company wishes to expand by the acquisition of salon groups or single hairdressing salons. Turnover must be in the region of £60k pa net of VAT per shop unit. Retention of part equity considered with a view to further capitalisation through eventual flotation.
Write in strictest confidence to Box G9614, Financial Times 10 Cannon Street, EC4P 4BY

Marketing Entertainment Services
A rapidly developing young public company is seeking to acquire cash positive businesses operating in any part of the above fields. An ideal acquisition candidate will be generating pre-tax profits of around £200,000 with good management willing to continue. *Replies to:*
Box G9626, Financial Times 10 Cannon Street, EC4P 4BY

COMPANIES WANTED
Client companies and investors some by whom we are retained, wish us to find and select suitable companies for:
* Outright purchase
* Majority or minority equity involvement
* Injection of venture capital
The interest is spread across a broad spectrum of industry with funds available from £35,000 to £5m.
Please contact us with initial proposals for immediate attention:
COLLINS-WILDE ASSOCIATES LTD
Atmora Tower, Stockbridge, Hants
Tel: 0264 810410

WANTED
TRANSPORT/DISTRIBUTION company to purchase outright
Perhaps a small transport subsidiary of a large group of companies that you may wish to sell
Turnover up to £5m pa considered
Write Box G9631, Financial Times 10 Cannon Street, EC4P 4BY

SMALL PLC Manchester based seeks situations with underlying property assets — Cash or shares available. Principals only. Write Box G9613, Financial Times, 10 Cannon Street, London, EC4P 4BY.

A U.K. PUBLIC COMPANY
WITH SUBSTANTIAL INTERNATIONAL INTERESTS
WISHES TO ACQUIRE SMALL COMPANIES INVOLVED IN THE MANUFACTURE OF SPECIALITY MATERIALS AND WHICH MEET THE FOLLOWING CRITERIA:
i) UK location
ii) Minimum turnover £500,000 per annum
iii) High added value content in product
iv) Majority shareholding required in due course
v) Materials to be metal, plastic or composites with speciality manufacturing process or speciality market niche
Details in absolute confidence to Box G9605 Financial Times, 10 Cannon Street, London EC4P 4BY

LLOYD'S BROKER
A London-based public company seeks an investment in a Lloyd's insurance broker of up to £10 million.
All enquiries in confidence to: Box G9636 Financial Times, 10 Cannon Street London EC4P 4BY. Ref: BEH

MANAGEMENT COURSES

London Business School

MICRO-COMPUTERS IN BUSINESS PLANNING
More than ever, Micro-computers are featuring in business decision making. This exciting new programme assumes that participants have no prior experience in Micro-computing and yet by the end of this two-day programme participants will be able to use the new technology for:—
* *Sales forecasting and planning* * *Budgetary and Financial Planning* * *Product Costing and Sales Quoting* * *Capacity and Manpower Planning* * *Production and Inventory Planning* * *Material Planning and Scheduling*
The programme will particularly benefit:—
* *Marketing and Sales Managers* * *Financial Managers and Accountants* * *Manufacturing and Operations Managers* * *Materials and Purchasing Managers* * *Production and Inventory Control Managers* * *Administrative Managers*
Dates: 13-14 June. Fee: £390
For further details please contact: Gaye Gresham, London Business School, Sussex Place, Regent's Park, London NW1 4SA. Telephone: 01-262 5050.

BUSINESSES FOR SALE

Litho Printer
Reading

Bradley & Son is a design and litho printer established over 100 years situated in purpose built leasehold premises on a modern trading estate. Turnover approx. £1.5 million p.a.

Litho Reproduction House
Reading

Assets and Business of a well established litho reproduction house situated on a modern trading estate. Turnover approx. £400,000 p.a.

Further details from: A.J. Barrett F.C.A. at the address below:

Deloitte Haskins+Sells
128 Queen Victoria Street, London EC4P 4JX.

By Order of the Joint Receivers & Managers R W Cork Esq., FCA & C J Hughes Esq., FCA

re: Racquets Ltd

FOR SALE

Tennis Centre
London W2

- Three recently constructed indoor courts
- Esco surface and indirect lighting
- Excellent Club facilities
- Saunas, Whirlpools, Solaria
- Increasing Membership

Ref: DF

EDWARD SYMMONS & PARTNERS
56/62 Wilton Road, London SW1V 1DH
01-834 8454 Telex: 8954348
And at Manchester & Liverpool

THE HAMILTON OPTICAL GROUP

Located in Cheshire the Group provides a comprehensive ophthalmic prescription manufacturing service based in a purpose-built long leasehold factory.

Substantial stocks are available, together with specialised machinery. The Group turnover in the year ended 31st July 1983 was approximately £750,000.

Further information from The Joint Receivers and Managers Allan Griffiths and Robert Hayton, Brazennose House, Brazennose Street, Manchester M2 5AX. Telephone: 061 834 5414. Telex: 667235.

Thornton Baker

PACKAGING MACHINERY PRODUCTION COMPANY

Specialising in the design, manufacture and sale of a full range of automatic and semi-automatic Filling Machines for accurate filling of powders, granules, pastes and creams; Volume filling of Liquids. Coin sorting, counting and packing machines. Well-known company with valuable trade names. Well-situated, fully-equipped Works of 50,000 sq ft — Herts. Substantial spares division. Tax losses could be available.

The business assets and goodwill are offered

FOR SALE

For further details apply Ref: AJR/RP

EDWARD SYMMONS & PARTNERS
56/62 Wilton Road, London SW1V 1DH
01-834 8454 Telex: 8954348
And at Manchester & Liverpool

FOR SALE BY THE RECEIVER

THE ASSETS AND BUSINESS OF

J. J. HOBBS & SONS LIMITED

A long-established wholesaler and retailer of Stationery, Greeting Cards, Toys and household goods
Based in Blandford Forum, Dorset.
Freehold and Leasehold Properties.
Turnover approaching £1 million.

Contact the Receiver:
P. W. G DuBuisson, Binder Hamlyn
8 St Bride Street, London EC4A 4DA
Telephone: 01-353 3020

HAULAGE/PARCEL WAREHOUSING CO.

For health reasons an opportunity has arisen for principals of substance and repute to acquire a well established transport company operating from North West and South West depots. Up to date fleet, industrious management and excellent customer base. Scope for further growth within existing facilities. Turnover £700k showing excellent nett profits.

Full details confidentially provided to identified parties

Apply to Box G9629, Financial Times
10 Cannon Street, London EC4P 4BY

METAL PRESSINGS AND TOOL ENGINEERING
West Midlands
Profitable well established family company

Turnover in excess of £600,000 (increasing) with profits in excess of £70,000 (prior to director/proprietors emoluments). Freehold factory and office premises available for sale or lease. For sale due to impending retirement of owners who would remain for 2/3 years to ensure continuity.

Principals only please should write to Box G9625, Financial Times 10 Cannon Street, EC4P 4BY

FOR SALE

Old established, active and prosperous Manufacturing Co. with subsidiaries, located in central area, including Freehold Factory units with up-to-date equipment available
OFFERS IN REGION OF £560,000

Family dispute over death duties the only reason for sale

Write Box G9817, Financial Times 10 Cannon Street, EC4P 4BY

PRECISION ENGINEERING BUSINESS FOR SALE
Midlands Area
Near Motorway

Grinding, Drilling and Boring,
Milling, Turning, Horizontal Boring,
Contour Milling, Press Tools,
Heavy Draw Dies
Press work up to 600 Tons
Prototype and Development Work

Write Box G9618, Financial Times 10 Cannon Street, EC4P 4BY

SALE OR INVESTMENT OPPORTUNITY. Freight forwarding haulage subsidiary located in Southern England, turnover £350,000 p.a. Write Box G.9640, Financial Times, 10, Cannon Street, London EC4P 4BY.

Printing Business

Estover Industrial Estate, Plymouth

The business and assets of Remprint Limited are available for sale.

11,500 sq. ft. leasehold premises.
Turnover £500,000 p.a.

For further details please apply to R. A. R. Hogg, Joint Receiver and Manager:
Peat, Marwick, Mitchell & Co.,
Phoenix House, Notte Street,
Plymouth PL1 2RT.

PEAT MARWICK

Video Unlimited Motion Pictures Limited

Video tape distributors with licences to over 50 feature films in UK and overseas.
Established since 1979. Turnover £1m.
Four retail showrooms with 12,000 cassettes, in Bournemouth, Poole and Guernsey.

Apply Joint Receivers:
J. M. Iredale and C. Keen
CORK GULLY
21a Lansdowne Road
Bournemouth BH1 1JG
Tel: (0202) 296012
Telex: 41532

Cork Gully

Shops and Stalls

This modern indoor market and shopping arcade in Great Yarmouth has potential rental income of approximatley £150,000. The leasehold properties are for sale together with substantial fixtures and fittings. Further information from The Receiver, John Twigg, 18 Low Pavement, Nottingham NG1 7DH. Telephone: 0602 506041

Thornton Baker

Frozen Food Processor

Well established frozen food production unit based Eyemouth, Berwickshire.

Fully equipped for food processing, freezing and packing—especially fish.

Freehold premises—production area—10,000 sq. ft. 500 pallet coldstore.

Enquiries from Principals only to Bill Cleghorn on 031-557 2111.

Deloitte Haskins+Sells
29 Abercromby Place, Edinburgh EH3 6UE.

OLD ESTABLISHED

RESIN AND BITUMEN MANUFACTURERS

The Joint Liquidators offer for sale a Manchester-based chemical manufacturing company specialising in the resin and bitumen fields supplying:

- The automotive industry
- Surface coating industry
- DIY applications
- MoD approved with contracts

POTENTIAL TURNOVER IN EXCESS £1 MILLION

All enquiries to: A. J. Katz, Esq. FCA or J. J. Gleave, Esq. ACA
ARTHUR ANDERSEN & CO.
Bank House, 9 Charlotte Street, Manchester M1 4BU
Telephone: 061-228 2121

ENGINEERING COMPANY
Specialists in Underwater Technology

Opportunity to acquire small private company with Defence Contractor listing. On-going MOD(N) Contracts. Strong management and technical base. Excellent potential for future growth. South coast location.

Principals only please write to Box G9635 Financial Times, 10 Cannon Street, London EC4P 4BY

HOTELS & LICENSED PREMISES

For sale

BEACH SIDE DEVELOPMENT
on the Island of Porto Santo in
MADEIRA

Hotel, occupying an area of 10,600 square metres, with 208 bedrooms and 40 T1 apartments.

Apartments (area of 3,200 square metres) — 64 T1 apartments.

Restaurant (area of 380 square metres) — on the beach.

Construction started, already including windows, doors and other equipment.

For more information, please contact:
Box 951, c/o St James's House
4/7 Red Lion Court, Fleet Street, London EC4N 8AQ

CORNISH RIVIERA
FALMOUTH HARBOURSIDE
Magnificent views/Water frontage
Lavishly equipped
LARGE LICENSED RESTAURANT
on Good Lease

Superb kitchens, ready for immediate use. Furnishings/equipment/ingoings, offers based on £50,000, lease £10,000 pa reduced by small sub-let. Exceptional opportunity for applicants of highest references and expertise.
RUTH JONES, FSVA, 8 Arwenack St
Tel: Falmouth (0326) 313444

BUSINESSES FOR SALE

Appears every Tuesday

DAVIES PRITCHARD & RICHMOND LIMITED
(in Receivership)
LECONTROL LIMITED
(in Receivership)

Mechanical Handling Equipment and Industrial Control Systems

Location: North West

This well established and substantial group of companies is engaged in the design, manufacture and installation of material handling equipment and industrial control systems. The businesses are located on a modern purpose built industrial estate near Speke Airport.

For further details contact John Warren, quoting reference DPR, at Ernst & Whinney, Lowry House, 17 Marble Street, Manchester M2 3AW. Tel: 061-832 5784. Telex 668202.

E&W Ernst & Whinney

EDINBURGH BUILDERS AND MANUFACTURING JOINERS FOR SALE

WITH LARGE PREMISES IN CITY CENTRE
Plenty of scope for expansion
Write for full details to:
Box No 4434
Woolward Royds Advertising Ltd
Woolward Royds House
36 Marine Drive
Edinburgh EH4 5EW

ESTABLISHED WOODWORKING FACTORY FOR SALE

Immediately available due to company reorganisation on retirement/ill health of directors. Existing trade/contract customers and on-going work loading. Modern freehold property on half-acre site N. London area, with plant, machinery, and skilled workforce for solid and panel production.

Enquiries to:
Box G9620, Financial Times
10 Cannon Street, EC4P 4BY

FOR SALE
LARGE WHOLESALE PIGMEAT BUSINESS

Ideally situated, profitable and with own modern slaughtering facilities. Ample room for expansion with no environmental constraints.

Replies from principals only to:
Box G9639, Financial Times
10 Cannon Street, EC4P 4BY

JEWELLERY SHOP FOR SALE
LONDON NW

Retirement. Good turnover and profits. Very low rent
Up market clientele. Great potential. £50,000 + SAV
Principals only

Write Box G9633, Financial Times
10 Cannon Street, EC4P 4BY

TOOLMAKERS
S.E. LONDON

Turnover £800,000. Small profit on £600,000 last year. 4 month order book. Good machinery and workforce. Entire company for sale £50,000 or Fixed Assets £115,000 + WIP approx £30,000.

Write Box G9641, Financial Times
10 Cannon Street, EC4P 4BY

MEDICAL PRODUCTS COMPANY FOR SALE

Manufacturers of specialised medical devices. Based in West Country and with contacts worldwide

Write Box G9637, Financial Times
10 Cannon Street, EC4P 4BY

SINGLES CLUB

Established 10 years. 2,500 members. Turnover £100,000 p.a. producing £40,000 profit p.a! Guaranteed cash flow. Outstanding profits record. Special V.A.T. concession. Substantial cash deposits. No debts. Attractive offices. Loyal staff. Sound reputation. Considerable scope for expansion.

Serious offers invited

Write Box G.9627, Financial Times, 10, Cannon Street, London EC4P 4BY.

ENGINEERS SUPPLIES
(Haberdashery) RETAIL

Established 36 years, in good working order, mainly Mail Order, mixed Regular and Surplus. Annual turnover £317,000. 20 Staff. 12,000 sq. ft. on very advantageous lease. Asking price £135,000. Owner wishes to retire. Enquiries direct to: K. R. Whiston, M/s K. R. Whiston Ltd., New Mills, Stockport SK12 4PT or just send for Catalogue to see what we handle: 5,000 items.
Please mention: Financial Times

FOR SALE
AS A GOING CONCERN

North Kent. Designers and manufacturers of counters and vending units for store displays
Turnover £500,000 approx.

Write Box G9638, Financial Times
10 Cannon Street, EC4P 4BY

BUILDING SERVICES CONTRACTOR

SIGNIFICANT BUSINESS in Mechanical, Electrical and Plumbing services For Sale
Principals only telephone
01-846 2319

YACHTING

2 Prestigious Company Names for Sale
BLUE WATER YACHTS LTD
BLUE WATER YACHT CHARTERS LTD
Both companies registered many years but not presently trading. No debtors or creditors. Offers to:
KEYZAR
Anchor House, Crown Lane
Chislehurst, Kent
01-467 0933 Telex 897649

HEALTH CLUB BUSINESS
HOME COUNTIES

Well established with takings of approx. £750,000 pa. Offers sought for freeholds, goodwill and trade items

Write Box G9630, Financial Times
10 Cannon Street, EC4P 4BY

SOUTH COAST — SUPERB HEALTH & FITNESS STUDIO

equipped with latest Fitness & Body Building Equipment & providing Solariums, Saunas, Showers, etc. Good membership, well qualified staff. £140,000 as going concern.

SOUTH COAST BUSINESS TRANSFER LTD.
194-196 Commercial Road
Bournemouth BH2 5LX
Tel: (0202) 29172617

EQUIPMENT SUPPLY/ MAIL ORDER

Small, profitable company supplying Driving Schools. T/o £120,000+ of which high percentage in Mail Order. Freehold Property. Much scope for further expansion.

Details from:
HOWARD GRANT & CO LTD
25 Highfield Road, Edgbaston
Birmingham B15 3DP

PRESTIGIOUS
PRIME EDUCATIONAL ESTABLISHMENT

Located Central London
Continuing management

Write Box G9634, Financial Times
10 Cannon Street, EC4P 4BY

DIVERCO SELL COMPANIES NATIONWIDE

Priced £0.1m-£3m plus
sellers and buyers write/phone:
Peter M. Dodgson, M/D
DIVERCO Ltd.
4 Bank Street, Worcester
0905 22303

FOR SALE

We would like to offer for sale a profitable Belgian engineering company with a highly interesting production programme and a full order book. Modern plant and buildings 7,000 square metres. The takeover conditions are most favourable. The asking price (for takeover and plant) is BF 34,000,000.

Serious enquiries write:
MR PIERRE WEEMAELSN, Managing Director
Boulevard Edmond Machtens, 153-B.52
1080 — Brussels, Belgium

UNIQUE OPPORTUNITY
to purchase

COLLOTYPE FINE ART PRINTING PROCESS

This process is acknowledged to be the finest method of producing facsimile copies of fine art paintings, drawings, ancient documents etc.

A custom-built factory, together with all plant and machinery, full air-conditioning etc., is offered for sale, together with introductions to major fine art clients.

Write: H. Lawrence Esq.
LAWRENCE WOOLFSON & CO.
New Oxford House, 9-15 Oxford Street, London W.1

FULLY FURNISHED OFFICES TO LET
APPROXIMATELY 450 SQ. FT.
HAMMER HOUSE, WARDOUR STREET, W1

2 spacious offices fully furnished, 24 hour access, reception facilities/kitchen facilities. Telephones already installed. Telex, Photocopier available £200 per week fully inclusive all rates, water rates, service charge, porterage and central heating

Please call 01-434 1881 to view immediately

INTERNATIONAL

FOR SALE
Jersey Construction and Building Company

Established 1870 and undertakes work as Builders and Civil Engineering Contractors
Beneficial owner wishes to retire

Replies from principals only to:
Box G9808, Financial Times
10 Cannon Street, EC4P 4BY

LEADING KITCHEN & Bathroom Supplier for sale, South East. Sales over £1m. Write Box G.9623, Financial Times, 10, Cannon Street, London EC4P 4BY.

WELL ESTABLISHED Light Engineering Fabrication Co. for sale, East Midlands. Sales £400,000. Write Box G.9623, Financial Times, 10, Cannon Street, London EC4P 4BY.

PROFITABLE COACH TOUR OPERATOR and Main Car Dealership for sale. Ilrated Wales. Sales over £2 million: Write Box G.9622, Financial Times, 10, Cannon Street, London EC4P 4BY.

LEADING WASTE DISPOSAL CO. for sale. South Wales. Freehold. Write Box G.9621, Financial Times, 10, Cannon Street, London EC4P 4BY.

FOR SALE — Magazine Company with 25,000 circulation, advertising supported. Sales £50,000 p.a., rising. Ideal as one-two person business or for expansion. Write Box G 9619, Financial Times, 10, Cannon Street, London Street, London EC4P 4BY.

CASH AND CARRY
NORTH EAST OF ENGLAND

Opportunity to acquire a large and established business, as principals wish to retire. Current turnover is in excess of £1.2m. Leased premises in prime location comprise c. 25,000 square feet, plus extensive car park. Freehold available. Outgoing directors will provide help on consultancy basis if required; non-shareholding executive director to continue.

Write Box G9647, Financial Times
10 Cannon Street, London EC4P 4BY

FOR SALE
VALUABLE ASSET
INTERNATIONAL ROAD HAULAGE BUSINESS

comprising
11 Mercedes 1628S/32 Tractors, all X, Y and new A reg. 8 x 12-metre tile trailers 1 x 40 ft. flat trailer, 5 EEC permits, 142 West German GQ permits, 100 French GQ permits, 52 Italian GQ permits
No premises are included No liabilities
All trucks fully employed and work available
The company is offered for sale due to retirement

Write Box G9642, Financial Times
10 Cannon Street, London EC4P 4BY

COMPANY NOTICES

COMPANY ANNOUNCEMENT

EAST RAND GOLD AND URANIUM COMPANY LIMITED

(Incorporated in the Republic of South Africa)

Offer of 15.5 per cent unsecured Convertible Debentures 1988/1991

In respect of the offer to members registered on March 9, 1984 of 2,870,000 15.5 per cent unsecured convertible debentures 1988/1991 of R12 each, at par, subscriptions have been received for approximately 98 per cent. The balance of approximately 2 per cent of the 2,870,000 debentures offered will accordingly be subscribed for in terms of the underwriting agreement.

The offer closed on April 5, 1984. Certificates in respect of debentures subscribed will be posted to applicants on or about April 19, 1984.

Johannesburg
April 9, 1984

CANADA—UNITED KINGDOM FREIGHT CONFERENCE
NOTICE TO IMPORTERS
TRAFFIC FROM CANADA

THE MEMBER LINES of the above conference operating services between Canadian Maritime/St. Lawrence River and Great Lakes Ports and the United Kingdom, Northern Ireland and the Republic of Ireland would refer importers to the announcement made in September 1983 of an increase in rates to become applicable 1st January 1984. That decision was made after a careful assessment of the Lines' financial position and the extensive losses which they had occurred over the past 2/3 years had made it apparent that, unless steps could be taken to eliminate these losses as quickly as possible, their ability to provide the service so essential to importers at the level as heretofore would be seriously impaired and that their ability to continue to serve the trade at all could be placed in jeopardy.

A full review of the lines' position has been undertaken and it has now been decided that, with effect from 1st July 1984, a further increase in rates is unavoidable and, accordingly, will become applicable on the following basis:—

Service 1 Rates—The existing commodity box rates will be increased as follows:—
20' containers. Dlrs. 150.00 per container
40' containers. Dlrs. 300.00 per container

Service 2 Rates—The present differential of 15 per cent over service one rates will be maintained.

Service 3 Rates—A minimum of 15 per cent.

Refrigerated containers—15 per cent with a minimum of Dlrs. 300.00 per container.

Shippers are also advised that separate consideration is presently being given to the freight rates to apply to commodities with specific expiry dates in the eastbound tariff.

Atlantic Container Line G.I.E.
Hapag-Lloyd AG.
Manchester Liners
Sea-Land Service Inc.
The Cambria Line
Cast (1983) Ltd. (Associate Member)
CANADIAN ATLANTIC FREIGHT SECRETARIAT LTD.
Secretaries.

Cunard Buildings,
Liverpool L3 1DS.
April 1984

THE ROYAL BANK OF CANADA
US$100,000,000
Floating Rate Debentures due 1987

In accordance with the terms and conditions of the Debentures, the interest rate for the period 9th April, 1984 to 9th October, 1984 has been fixed at 11¹⁄₁₆ per cent per annum.

On 9th October, 1984 interest of US$287.53 per US$5,000 nominal amount of the Debentures and interest of US$2,875.26 per US$50,000 nominal amount of the Debentures will be due for payment.

SWISS BANK CORPORATION
INTERNATIONAL LIMITED
Reference Agent

RENOWN INCORPORATED

NOTICE TO EDR HOLDERS

This is to notify EDR Holders that at a meeting held by the Board of Directors of the Company, it was recommended that a dividend of Yen 12.50 per share should be paid to all EDR Holders on record as at 31st December, 1983 upon presentation of Coupon No. 10 with immediate effect.

ROBERT FLEMING & CO. LTD.
Depositary

London
10th April, 1984

CLASSIFIFD RATES

	Per line (min. 3 lines) £	Single column cm (min. 3 cms) £
Commercial & Industrial Property	9.50	33.00
Residential Property	7.50	25.00
Appointments	10.00	34.50
Business, Investment Opportunities	9.50	33.00
Business for Sale/Wanted	9.50	33.00
Personal	7.50	25.00
Motor Cars	7.50	25.00
Hotels & Travel	7.50	25.00
Contracts & Tenders	9.50	33.00
Book Publishers	—	net 16.00

Premium positions available
£6.00 per single column cm extra

For further details write to:
Classified Advertisement Manager
Financial Times
10, Cannon Street, EC4P 4BY

LEGAL NOTICES

IN THE MATTER OF
PETER FILBY MAGAZINES LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the Creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 1st day of July, 1984, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned Geoffrey Martin, F.C.C.A., of Geoffrey Martin & Co., St. James's House, Park Place, Leeds LS1 2SP, the Joint Liquidators of the said Company, and, if so required by notice in writing from the said Liquidators, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 29th day of March, 1984,
PATRICK GRANVILLE WHITE,
GEOFFREY MARTIN.

IN THE MATTER OF
ZEPHYR INTERNATIONAL PUBLICATIONS LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the Creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 1st day of July, 1984, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned P. Granville-White of 1 Wardrobe Place, Carter Lane, St. Pauls, London EC4V 5AJ, the Joint Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 29th day of March, 1984.
P. GRANVILLE-WHITE,
Liquidator.

IN THE MATTER OF
STRAND ASSOCIATES (ARABIC) LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the Creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 1st day of August, 1984, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned Harry Nicolaou of Messrs. Harry Nicolaou & Co., 21 Brendon Way, Enfield, Middlesex, EN1 2LF, the Joint Liquidator of the said Company, and, if so required by notice in writing from the said Liquidators, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 14th day of March, 1984.
P. W. J. HARTIGAN, FCCA,
H. NICOLAOU,
Joint Liquidators.

COURSES

ADVISERS, MANAGERS, BANKERS PUBLIC SERVANTS, POLITICIANS

Are you professionally concerned or interested in any of these subjects?
The International Debt Crisis, or
How the Treasury Model of the British Economy Actually Works, or
Higher Education Policy in the 1990s
If so, please consider these BIRKBECK
Spring/Summer Advanced Short Courses:
Professor Richard Portes, "Sovereign Borrowing and International Debt"
Dr Ron Smith, "Macro-econometric Models; their Construction, Evaluation and Use"
Professor Robin Marris, "The Economics of Higher Education, in the UK and Internationally"
For information phone 01-580 6622 Ext 495
or write to BASE Office, Economics Department
Birkbeck College, 7 Gresse Street, London W1P 1PA

PERSONAL

£500,000 Property lottery and £45,000 year income

We are instructed to offer by lottery a PRIVATE PROPERTY PORTFOLIO with a value in excess of £500,000

You can win the freehold property complete with an income in excess of £45,000 per year all for £190 per ticket

For tickets please make cheques etc payable to:
Dibb & Clegg, Solicitors, 31 Regent St, Barnsley, South Yorkshire S70 2HJ
Complete details including conditions will be sent by return

APPOINTMENTS

Finance Houses Association chief

Mr Ian Miller, a general manager of United Dominions Trust, has been appointed chairman of the FINANCE HOUSES ASSOCIATION. He succeeds Mr Stuart Errington, managing director of Mercantile Credit, who has completed his two-year term of office. Mr Ray Hazlehurst, chief executive of North West Securities, has become vice chairman of the Association.

Mr John Stanley Bramwell is to be appointed to the new position of group manufacturing director for IDEAL-STANDARD. He has been manufacturing director at Middlewich for nearly eight years. The position will be created on the retirement of Mr Gordon Martin, manufacturing director at Hull.

★

Mr R. McLaren has been appointed to the board of COURAGE. He is currently managing director of Saccone and Speed. Mr B. Wright, finance director, Imperial Brewing and Leisure (the holding company) joins the board of Courage. Mr A. Moore becomes personnel director in succession to Mr J. S. Smale who remains on the Courage board as a representative of Imperial Brewing and Leisure.

★

Mr G. R. Turner has been appointed from May 1 a regional director of the South Midlands regional board of LLOYDS BANK. He recently retired as joint general manager (Midlands and South Wales).

★

Mr Bryan Westrop has been appointed to the board of LOMBARD NORTH CENTRAL, finance house subsidiary of National Westminster Bank. He will continue as director and general manager of Lombard Tricity Finance.

★

Mr David Pickering has been appointed to the board of the BRITISH MAGAZINE AND CATALOGUE PRINTING CORP as personnel director. He has also been appointed a director of Waterlow and Sons (East Kilbride) and remains personnel director of Petty and Sons in Leeds.

★

KANSALLIS-OSAKE-PANKKI has named the management team for its new London branch which opens on April 9. The team is headed by Mr Ilkka Laukkonen as general manager. Mr Peter Fagernäs is appointed deputy general manager responsible for credits and marketing, and Mr Michael J. Phillis is named senior manager, foreign-exchange and money markets. Operations manager is Mr David Hylton.

★

SCOTTISH MIDLAND CO-OPERATIVE SOCIETY has appointed Mr George McMillan as chief executive designate to take over from Mr J. H. Currie, on his retiral in February, 1985. Mr McMillan joined the former St. Cuthbert's Co-operative Association in 1943. He became depute general manager and accountant in 1975. With the formation of SCOTMID in January 1981, he became depute chief executive.

★

RICHARD LONGSTAFF (HOLDINGS) has accepted the resignation of Mr D. L. Fryer Lloyd from April 28, on his joining Laurence Phillips (Agencies). Mr R. M. Smith has been appointed to the board of Richards, Longstaff; and Mr M. I. Cox becomes an associate director of Richards, Longstaff and a director of Kyle Financial Services.

★

EXCESS INSURANCE Group has made the following board appointments: Mr Jeff Slocombe, Mr Brian Gilbert and Mr James Westervelt (U.S.), join the group board. Mr D. Zaamlerowski (U.S.), has retired and rejoins the U.S. holding company. Mr Peter Mills is appointed a director of Excess General Insurance Company. Mr Peter Thompson and Mr Mike Galbraith become directors of London and Edinburgh General Insurance Company. Mr Ray Riseborough joins the board of Excess Underwriting Management.

★

Mr David Harris has been appointed company secretary and group legal adviser to the BRITISH PRINTING AND COMMUNICATION CORPORATION. He was executive director of Interlaw. Mr Harris succeeds Mr Tony Harman, who has retired early as company secretary due to ill health.

★

Mr W. Jones, financial director of McKechnie Chemicals, has been appointed to the board of McKechnie Developments. He will retain his responsibilities at McKechnie Chemicals, McKechnie Metal Powders and La Cornubia S.A. Mr J. Topping has joined the board of McKechnie Chemicals. He was works manager. Mr A. Rawlins has been appointed to the board of Frederick W. Evans. He was financial accountant. The companies are all subsidiaries of McKECHNIE BROTHERS.

★

PRUDENTIAL CORPORATION has appointed Lord Richardson of Duntisbourne as a director from April 12. He was Governor of the Bank of England.

★

Mrs Vyoma Nair has been appointed assistant general manager of TRIDENT GENERAL INSURANCE CO and joins the board. Other appointments include Mr Alan Howell as underwriting manager; Mr Peter Johnson as administration manager; and Mr Dennis McDonald as marketing and development manager. The company is part of the General Re Group, U.S.

★

BARROW HEPBURN GROUP has appointed Mr F. H. Passey, managing director of its subsidiary Perrite, to the parent board. Mr D. G. Woodcraft, a main board director has been appointed divisional director, engineering.

★

Mr Hitoshi Yammoto has joined CHASE MANHATTAN as associate director in charge of yen denominated securities sales and trading. He joins the Chase Manhattan capital markets group's London subsidiary from Merrill Lynch. Mr Antony Simcock, previously with Kidder Peabody Securities, has also joined CML as a manager for Eurobond trading.

★

The NATIONAL COUNCIL OF BUILDING MATERIAL PRODUCERS has re-appointed Mr Alan G. Turner, chief executive of BPB Industries, as president for 1984-85.

★

Mr Roy Winkle has been appointed managing director of HAYTERS. He comes from STC. Mr John Bishop has joined the board as non-executive technical director. He is managing director of Flamecut Metal Products, and Lasercut Products.

★

Mr D. R. Poole has been appointed managing director and Mr D. V. Udall as financial director of ESTATES PROPERTY INVESTMENT COMPANY. Both are on the board.

★

Mr F. J. Fergusson has been appointed a director of JAMES CAPEL AND CO, stockbrokers.

★

Mr Arthur H. Brown retires as senior partner of SIR FREDERICK SNOW AND PARTNERS and chairman of Sir Frederick Snow (International) on April 30. He remains a consultant. He is succeeded by Mr Robert A. Hartland.

★

The OILFAB GROUP has appointed Mr John Macrae as a director of the engineering division. He also joins the newly constituted group management board. He was engineering design manager.

★

ROYAL WORCESTER SPODE has appointed Mr Peter J. Coleman as managing director of the retail division. He was marketing director of Spode.

★

Mr Alan Crowe has been appointed to the board of EAGLE STAR TRUST COMPANY. He is a director and secretary of MEPC.

★

Ms Jane Kelly has been appointed company secretary of AMI HOSPITALS. She is a vice-president of Americal Medical International Inc and is a director of a number of AMI subsidiary companies in England.

★

NORSK HYDRO FERTILISERS has appointed Mr Geoffrey Richards as director of sales.

★

Mr Edmund Dell, chairman of Channel Four TV, is to be chairman of the PUBLIC FINANCE FOUNDATION, a new organisation established by the Chartered Institute of Public Finance and Accountancy to undertake research into the problems facing the public sector.

★

Mr Philip Walker, chairman of CHAPMAN INDUSTRIES has retired, and is succeded by Mr Peter Davies, deputy chairman.

★

Mr John B. Richards is joining LESLIE & GODWIN (AGENCIES) as managing director in view of Lord Grantley's retirement in 1985. Leslie & Godwin (Agencies) underwrite for the Yasuda (UK) and the Travelers (UK) and Lord Grantley will remain on the boards of these three companies in addition to remaining a consultant to the Leslie & Godwin Group. Mr Christopher J. N. Robinson has been appointed director of LESLIE & GODWIN DEVELOPMENT CO.

★

Mr Christopher Norland, managing director of Industrial Finance and Investment Corporation, has joined the board of the GAULT ARMSTRONG KEMBLE GROUP.

★

Mr M. Y. Dolding has joined JAMES CAPEL AND CO., stockbrokers.

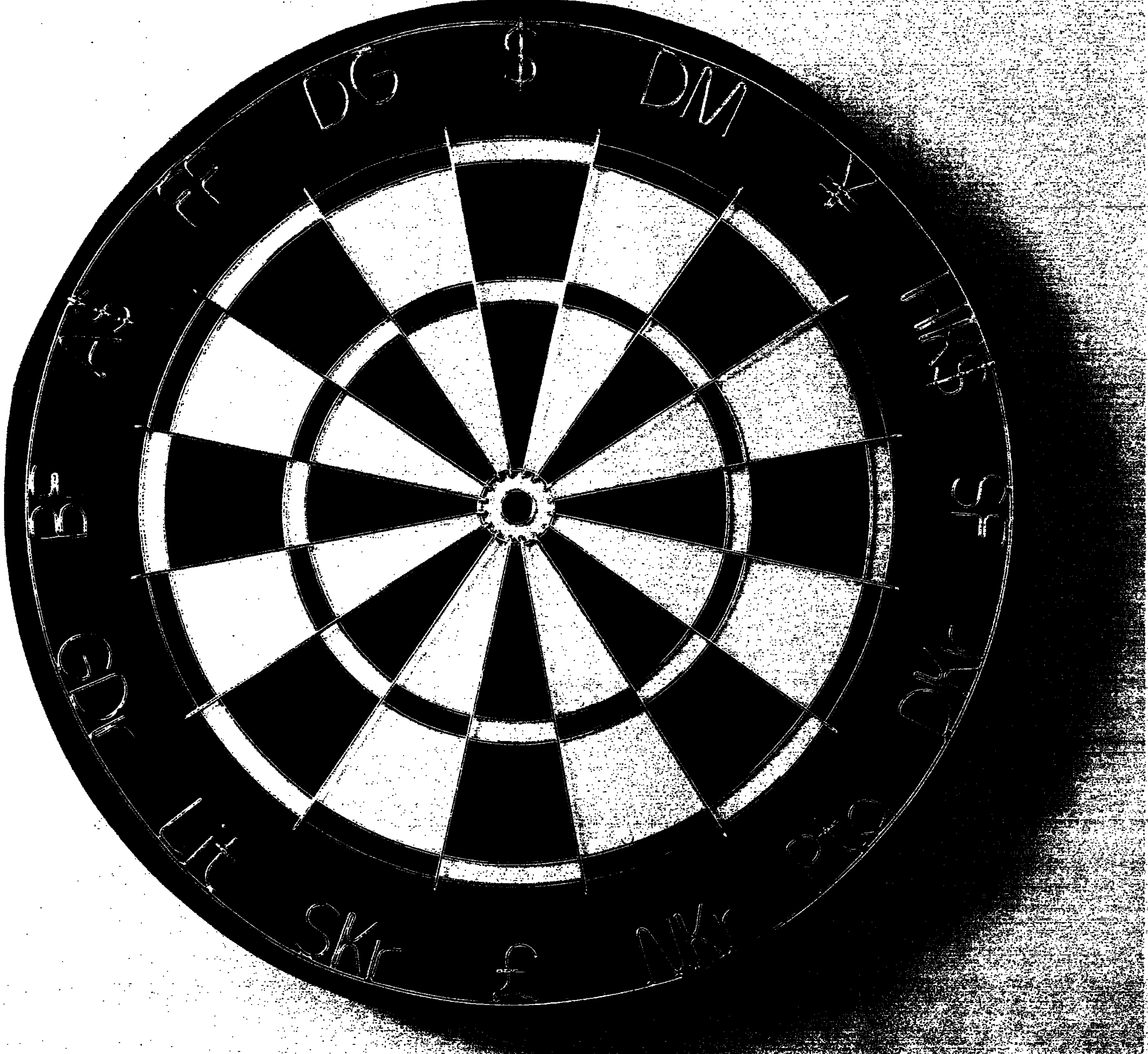
★

Mr Clive Burton and Mr Michael Wallis have been appointed to the board of LAMBERT BROTHERS SHIPPING.

★

New chief for British Saab

Mr Christer Skogsborg has been appointed managing director of SAAB GREAT BRITAIN following the recent death of Mr John Smerdon, chief executive since June 1977. An economist, Mr Skogsborg was appointed to Saab Great Britain's board in November 1982. He transferred to the UK from Sweden in February 1983 where he was director of Saab's overseas subsidiaries.


DG
$
DM
¥
HK$
SF
DKr
NKr
£
SKr
Lit
GDr
BF
FF

THE ARTS

Tate Gallery/William Packer

The innocent vision of Cedric Morris

The crowds now flocking to the Tate for the splendid and quite extraordinary Pre-Raphaelite Exhibition may well be forgiven for feeling enough is enough after so rich a treat, but I would urge them not to rule Sir Cedric Morris out of all consideration, pushing him to one side, as it were, untasted. For he, too, in his own very different way is just as English and quite as extraordinary; and the only caveat I would enter would be to say that if indeed the two exhibitions are to be visited consecutively (and they are immediate neighbours), the Morris would best come after, for being so much smaller and easier to assimilate, and so bracing and refreshing besides. It remains on view until May 13.

But this is a serious and substantial retrospective study nonetheless, for all that it is so conspicuously enjoyable. Above all it is a sensible exercise in the critical assessment of an artist's work and the consequent placement of his reputation. Seeing it so clearly for once, we see it whole. For whatever else he was, Morris was not the definitive artist of the age, nor the best, nor even particularly important, yet he was interesting, rather good and even at times remarkable, and most certainly worth some notice. A full retrospective at the Tate is perhaps one accolade too high, but to say as much would be to deny the Tate its necessary role as our principal centre for the study of British Art in all its aspects, at least from the very good to the not so bad.

The problem is familiar enough. Not liking Art very much in general, we are rather given to coterie enthusiasms in particular, led on in part by fashionable interest and part by a deep need to reassure and protect ourselves in the face of any apparent avowal of personal taste and judgment. The moment passes and enthusiasm shifts on to whatever next, leaving only the most loyal of all, constrained as much by personal and family ties as by any confident appreciation of the work to remain behind. So temporary and faddish reputation sinks into a more lasting obscurity as undeserved as that celebrity was premature: St Ives, Kitchen Sink, neo-Romantic, Euston Road, Bloomsbury and Charleston, Camden Town, Newlyn, the Pre-Raphaelites themselves—the history of British Art in the past 100 years and more seems to be one long exercise in rehabilitation.

Cedric Morris, with his circle of painter friends, his East Anglian School of Painting and Drawing (set up at Dedham before the War and moved on within a year or two, after a disastrous fire, to Benton End, his house at Hadleigh, where it continued into the 70s), and his immensely distinguished parallel career as a breeder of irises, is simply the latest and a comparatively minor victim of this natural rhythm of critical peaks and troughs. Painter, gardener, teacher—Lucian Freud, the involuntary arsonist, only the most distinguished of his many pupils—gardener, baronet, he was evidently a most intriguing, engaging likeable man.

His work was itself directed in its material and reference at his personal life, his friends, interests and circumstances, and it is hardly surprising, that biographical matters should loom so very large in the interest we take in it all. The show is hung (with considerable imaginative élan by Richard Morphet) rather more by theme than chronology and so we see the landscapes of South Wales, London and East Anglia, the bowls of vegetables on the kitchen table and forests of irises brought in from the garden to paint. Most of all, however, inescapable for they dominate the central room, we see the portraits, heads and shoulders of fellow artists, students, friends, clients, starkly drawn in thick paint and livid colour and simplified almost to the point of mischievous, if not actually malevolent, caricature. The temptation into identification and chapter and verse, is insistent—quelle galère.

But to be drawn in would be to miss the point, for these paintings are all the more interesting for what they are as paintings, that for what or whom they represent. They are direct, simple and unequivocal statements of the image, the paint laid on thick and strong even to the point of heavy-handedness at times, with little apparent regard for practical finesse or delicacy of touch. When seen as the work of so unusual and various, dare one say dilettante, a man, who had no especial training as a painter, it is all too easy to dismiss it as merely diverting and amateur, if not actually naive. Understandable perhaps, but mistaken: for Morris' simplicity is essentially the simplicity not of ignorance or technical ineptitude, but of an innocent and unaffected vision.

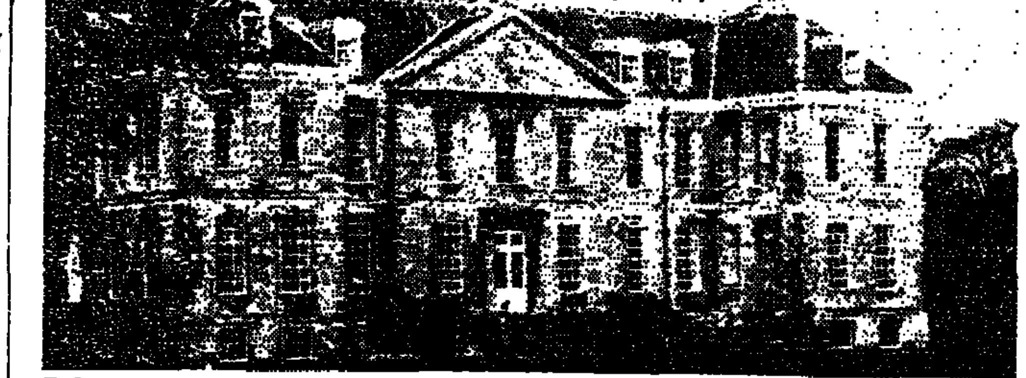
There is of course the *faux naif*, but again such a reading would be misleadingly over simple, for Morris always lacks in his work the quality of knowingness and self-conscious artifice which the term infers; and who would call painters such as Christopher Wood and John Nash and Stanley Spencer, all of them near contemporaries to whose work his own at different times bears useful comparison, really *faux naif?* The work he produced in the middle twenties, when he was flirting with overt surrealism, is certainly his least successful, but then its inadequacies are less to do with particular technical short-comings—one of the most striking, accomplished and characteristic of his portraits, a small study of the young Lett Haines, who was to be his life-long companion, looking back to the Fauves and yet on to Freud, was painted in Paris in 1919—than a sense that it was for him imaginatively inappropriate, a creative cul-de-sac.

Surrealism would always bring a certain charge to the work, a subliminal frisson, but it would be the generalised and unspoken surrealism that can be discerned in the art of any time, as much in Giotto or Piero di Cosimo as in de Chirico. The still lifes in the final room, even more than the flower pieces alongside them, in the clarity and simple grandeur in both their description and construction, call nothing to mind so much as Italian painting of the early Renaissance: a very curious pre-Raphaelite indeed.

*

Two related exhibitions cannot be dealt with now at any length, but should not be missed. Morris's friend Arthur Lett Haines, was the one who took on the principal burden of administering the East Anglian School and the actual instruction of the students. A show of his own paintings, drawings and small sculptures is now at the Redfern Gallery (until April 19). And at the Parkin Gallery is a show of paintings and drawings by Joan Warburton, one of their founding students, and one who remembers Sir Alfred Munnings' active jubilation at the fire which he saw as the most direct and awful warning against Modern Art.

David and Barbara Carr, c 1940, by Cedric Morris



Belton House, now acquired by the National Trust and open to the public — except from April 24-May 4 when Christies is organising an auction on the premises.

Belton/Gillian Darley

'Serene and gracious for posterity'

Unlike some recently rescued great houses, Belton House near Grantham has not been a Sleeping Beauty — unrevealed to the public gaze while it crumbled, like Endigg or, more topically, Calke Abbey. Belton has been open regularly to the public for some years but since the death, in 1978, of the 6th Baron Brownlow, the now familiar sequence of events began. Rumours of massive tax liabilities, sabre rattling over the house and its contents (as usual, the estate is carefully in trust and thus escapes Treasury incursions) and finally, family disputes — some members of the family feeling more responsible towards the preservation of the house intact with its contents, than others.

In the end the house went to the National Trust, financed by the National Heritage Memorial Fund to the tune of £8m, the family went to Jersey and the Brownlow Trustees retain the estate, the model village at the gates of the house and even sections of the park, including the eye-catcher to be seen at its furthest extremity.

Belton House is a perfect example of a Restoration country house, with the elegance, as opposed to ostentation, of that period and an external scale, neat and domestic, which belies the considerable magnificence of the interiors. It was built by William Winde between 1685-6 for a couple of 16-year-old cousins, "Young" Sir John Brownlow and his wife Alice. It is the resplendent wood carving and plasterwork that is one of the house's particular glories and the guides still (wrongly) name Grinling Gibbons as the craftsman, as, for long, Christopher Wren was cited as the architect. Later on the house was given a late 18th century new-classic veneer by James Wyatt but the over-riding impression is of a house of the late 18th century.

Among the finest rooms are the chapel, with marbled altarpiece, the chinoiserie bedroom, the hall (its oak panelling at the moment masked by a crust of buttermilk coloured paint, soon to go) and the so-called chapel drawing room with tapestries and dark green-blue marbling on the walls. The furniture includes a rich assembly of state beds, giltwood chairs and pier tables (all with the Restoration symbol of "boys and crowns" on their stretchers, backs or arm rests) and, in the case of the library, Wyatville's flimsily Gothick bookcases.

The National Trust has had a busy few years in its East Midlands area with Canons Ashby (just opened to the public after a two-year programme of works) and Belton and Calke Abbey "warming up." As the regional chairman put it, however, the Trust is decidedly not acquisitive and it has only taken these properties on by what one might call *force majeur*. If a family fails to safeguard the property it inherits then as things stand the Government intervenes but it is decidedly unsatisfactory when all the onus in the matter falls to outside agencies— Belton should stand as an example of successful rescue, but offering some lessons for the future.

Ironically in view of the protracted negotiations over the future for Belton, trying to prevent the full dismemberment of house from contents, the following words can be found inscribed beside the door from the gallery which overlooks the chapel: "Thus this mansion, serene and gracious, lives on for posterity—secure in the affections and hearts of a devoted family." These apparently heart-felt sentiments were to commemorate the completion of restoration works which had lasted from 1960 to 1964. In this case the family has managed to shed its obligations towards the house very painlessly, given that the National Heritage Memorial Fund stood by to guarantee the sums that would otherwise have been required in endowment for the National Trust. Nevertheless, the question needs asking, why did the family Trustees bear no responsibility towards providing that endowment, given that they still retain the entire value of the adjacent estate? Next time the safety net might not be available.

Perlman/Festival Hall

Dominic Gill

Itzhak Perlman returned to the Festival Hall on Sunday night to give another display of his characteristic brand of violinistic white magic (the aura could not be less Mephistophelean, more genial) —every note of which was immaculately crafted, instantly engaging, intensely enjoyable.

The tone seems clearer and more luminous than ever, thrillingly pure in the high registers, gently burnished with vocal overtones in the middle. His performances of Bach's C minor and Beethoven's E flat op. 12 sonatas with his pianist Bruno Canino—a real partnership, alive and responsive in all manner of dramatic detail—were models of clarity and calm, unruffled perception.

His account of Saint-Saëns' first sonata in D minor too (a good weekend for rare Saint-Saëns) had irresistible energy and finesse. Was it ungracious to wish for something still more original and striking in such a secure and accomplished reading—a gesture or two maybe, especially in the first two movements, of some impulsive, personal indulgence? The finale was sensational: electrifying exercise in a unique and wonderfully loose-wristed bow action half way between staccato and spiccato, but not quite either.

Perlman also gave 12 Caprices for solo violin by the American composer Earl Kim — a Californian, so our programme informed us, "by birth and training" (one even trains to *stay* a Californian these days?) They showed off some impressive tricks — but nothing that was not contained (and more) in, or still better presented by, Perlman's second encore, the finger-stopping, heart-stopping rearrangement by Leopold Auer of Paganini's 24th *Caprice*.

Stephen Hough/Festival Hall

Dominic Gill

"Saturday Spring Classics" is a GLC-funded series of three years' standing which traditionally offers a platform to young British soloists and conductors with the four main London orchestras. Last Saturday's concert of French music (each of the four programmes this season has a national theme) was played by the London Symphony Orchestra, and directed by the young Polish conductor, now resident in London, Jacek Kasprzyk; the soloist in Saint-Saens's fifth piano concerto was the 23-year-old English pianist Stephen Hough.

I missed Hough's London recital debut a few months ago, but on the evidence of this performance alone he is an important new talent. The Saint-Saens fifth concerto (written during and just after a visit to Egypt in 1896) is essentially a grand-romantic fun-piece with exuberant Oriental embellishments. Hough mined the vein of sparkle and high good humour with notable success—but understood the spaciousness and grandeur of the music too, and its easy, loose-limbed progressions.

The finger technique is absolutely secure (every cascade was an authentically Lisztian glitter of voices: *blitz*-octaves are precise and explosive). The tonal command is ravishing, from a trumpeted "speaking" timbre, strong and forthright, to a delicate wash of colour, tantalisingly ambiguous but never blurred. He has big reserves of strength: the crescendo sprint to the end of the first movement especially was very exciting. Hough is at present a post-graduate student at the Juilliard School in New York, in which city he has already made the beginnings of a remarkably successful early career. I suspect that it's a name (even if we never learn how to pronounce it) that we also shall come to know better quite soon.

John Harle/Purcell Room

Andrew Clements

John Harle is a prodigiously talented musician, who through the sheer strength of his abilities has established a highly successful career as a saxophonist, nimbly commuting between the worlds of jazz and "straight" music. His London appearances as a solo performer and with the ensemble he has created, the Berliner Band, have been unfailingly interesting. His most recent achievement has been a prizewinning recital in Carnegie Hall sponsored by the American Concert Artists' Guild and later this month he gives the first performance of Dominic Muldowney's saxophone concerto in the Elizabeth Hall, as part of the Music of Eight Decades series.

Inevitably Mr Harle is a tempting target for any ambitious publicity machine, and his name has begun to reach a wide public. His recital at the Purcell Room on Sunday with the tidy pianist John Lenehan was generously attended and rapturously received; it was indeed exceptionally well played. But the programme appeared to have fallen prey to the demands of easy celebrity: badly balanced, with too much music that fell undemandingly on the ear and too little genuine substance.

An arrangement (his own) for soprano saxophone of a Bach sonata demonstrated his agility and musicianly phrasing; a Fantasia by Villa-Lobos showed off his richly expressive tone and easy way with the rhetorical statement. Thereafter the recital fell into a predictable pattern. The first performance of Mark-Antony Turnage's *To a Black Dancer* proved to be a rehash for saxophone and piano of an earlier song-cycle to African texts: generally bluesy and laid back.

Dave Heath's Rumania blended the same blues-tinged idiom with a vaguely classical outline; Ned Rorem's *Picnic on the Marne* (a British premiere) proved to consist of seven slender waltzes of even less musical interest. Ibert's *Concertino da Camera*, a display vehicle brilliantly dispatched, closed the proceedings; how one longed for a real bit of stodge to get one's teeth into—surely Hindemith wrote a sonata for the instrument?

Maazel quits Vienna Opera

The director of Vienna's Opera House, Lorin Maazel, has resigned two years before his contract was due to expire.

Last month he said he would not seek to extend his contract for a second term, after the Austrian Culture Minister, Helmut Zilk, had voiced concern over the way Maazel ran the opera and had criticised him for spending too much time away from Vienna.

Our Gracie/Oldham

Martin Hoyle

Jack Rosenthal's "play with music" about the local — well, as near as dammit — celebrity will not set the Coliseum, Fairbottom Street, Mumps, Oldham, on fire. This progressively skimpy treatment of Gracie Fields's career succumbs to the two problems inherent in all star biographies: it gives no idea of what made the performer apparently unique, and it makes no distinction between her public persona and private personality.

A promising beginning sees the octogenarian star break off in mid-Royal Command performance to address us in characteristically down-to-earth vein. Donning a shawl as her own grandmother, she takes us to the Rochdale chip-shop where Grace Stansfield was born. A gritty childhood included performing from the age of seven, driven by her washerwoman mother, the archtetypal show-biz parent with a dash of Hilda Ogden from *Coronation Street*; and a brutal sexual assault that left the nine-year-old traumatised.

As writer, Mr Rosenthal's chief contribution is to frame the narration as a comic monologue to piano accompaniment, here ably spoken by Susan Uebel's older Gracie.

Of characterisation there is little. Despite evidence of exploitation at every turn (even her parents' premature tribute to the gravely ill star centres on her ability to deliver the goods: "we got us just rewards," they affirm with dour satisfaction), Gracie meets humiliation from her Svengali-like first husband and his mistress, rejection by the artist she loves, cancer of the womb, the loss of her property to the Mafia and violence from the Latin bully of a third husband with an unvaryingly wry cheeriness and the decision to mash another pot 'o tea.

The show turns into an arbitrary and episodic curriculum vitae of the Fields career. There is no feeling for time or background. The Twenties and the Thirties pass undifferentiated; World War Two is acknowledged only by a brief (and never followed-up) reference to Gracie booed off the stage as a traitor while entertaining the troops in Canada.

The paradox, irony and bitter battling that may, I suspect, have underlined her life is briefly glimpsed in her initial hositility to "Sally" — "I'll never sing that song"—concocted as it was by her manipulative first husband and his girlfriend. But too often Mr Rosenthal goes no further than illustrating ad nauseum one character's verdict: "She'd say any damn thing for a laugh." The grinning mask never drops. We even wonder if there was ever a human face beneath:

What occasionally sounds like an over-extended radio programme (whatever happened to Mr Rosenthal's funny, truthful way with dialogue?) has its impact further blunted by a final medley of songs. Jane Egan, Gracie in her prime, has a soprano that can take in even "Ave Maria," but proves that those staccato squeaks and chirrups are bewilderingly out of fashion. As the little girl, 12-year-old Anna Casey displays awesome assurance and the lung-power of an infant Merman (Ethel, that is). Steve Addison directs against a revolving proscenium arch. The crude red that predominates is less plushly theatrical than garish and incomplete.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

April 6–12

Opera and Ballet

LONDON

Royal Opera, Covent Garden: the new production of Bellini's I Capuleti e i Montecchi is a venture entirely justified by the conducting of Riccardo Muti and the lustrous, passionate Romeo of Agnes Baltsa; Edita Gruberova makes an impressive London debut as Juliet. Rigoletto, revived in the ancient and near-decrepit production of Zeffirelli, marks Sherrill Milnes' first Royal Opera showing in the title role. Others in the cast include Alida Ferrarini (British debut), Dennis O'Neill, and Gwynne Howell; Edward Downes, the leading British Verdi conductor, is in charge once again.

English National Opera, Coliseum: John Copley's production of Der Rosenkavalier is revived with important cast newcomers – Josephine Barstow (Octavian when this show was new) undertakes her first Marschallin, and Anne Dawson, one of the brightest of young British sopranos, makes her house debut as Sophie; Sally Burgess is Octavian, and Friedrich Pleyer conducts. Further performance of War and Peace, the ENO's long-admired Prokofiev spectacular.

Royal Opera Covent Garden: A brand new ballet by Derek Deane comes to the Royal Ballet's repertory, with a revival of Balanchine's sublime Agon, and the first performance by the Royal Ballet of Juri Kylian's dank return to a Strange Land in a triple bill.

PARIS

Claude Debussy's La Damoiselle Elue inspired by Rosetti's The Blessed Damozel in a double-billing with Purcell's Dido and Aeneas in a new production with Jessye Norman as Dido, Christine Barbaux, Veronique Dietchy as Belinda and William Stone as Aeneas, with Jean-Claude Casadesus conducting, at the Opera Comique-Salle Favart. (296 0611)

Momix Dance Theatre with its improvisations and sense of humour, its shadow dancing and a quartet on skis gives an early evening performance at the Théâtre De La Ville. (274 2277)

Marco Spada alternates with Jules Massenet's Werther, conducted by Georges Pretre with Alfredo Kraus in the title role and Gino Quilico as Albert, in the Florence Teatro Communale production at the Paris Opera. (742 5750)

Sankai Juku group performs the Japanese dance Buto at the Théâtre de la Ville. (274 2277)

WEST GERMANY

Berlin, Deutsche Oper: Don Pasquale is added to the programme, with Constanza Cuccaro and Rüdiger Wohlers. Die lustige Weiber von Windsor has Gustav Kuhn and Lucia Peacock in the leading roles. Also Der fliegende Holländer, and La Bohème with Pilar Lorengar, Karin Ott and Franco Tagliavini.

Hamburg, Staatsoper. Die Meistersinger von Nürnberg with Rene Kollo, Bernd Weikl and Beatrice Niehoff; Fidelio, with Gwyneth Jones and Manfred Jung. Zar und Zimmermann rounds off the week.

Frankfurt, Opera: Yoko Watanabe starts as Madame Butterfly, and Der Freischütz has a new cast with Beatrice Niehoff, Barbara Bonney and Walter Raffeiner. Also in repertory is Die lustige Witwe, Don Pasquale with Günther Reich and Barbara Bonney and Busoni's Doktor Faust, with Günter Reich and William Cochran.

NEW YORK

A Night in Venice (Eastside Playhouse) Alice Hammerstein Mathias's lyrics accompany Strauss waltzes for the Light Opera of Manhattan's view of romance at Carnival time. Ends April 22. 334 E. 74th (861 2288)

Paul Taylor Dance Company (City Center): The nearly month-long season of mixed repertoire features premieres of Paul Taylor's Byzantium set to music by Varese and Equinox set to Brahms, along with revivals of Big Bertha, Profiles, Runes and Nightshade. Ends April 15, 55th E. of 7th Av (581 7907)

TOKYO

Peking Opera, National Theatre: Led by Mei Pao-Chu, Monkey King Battles Queen of the Rats, The Lonely Queen; The Monkey King Confronts an Imitator, Fairy Story of a White Snake, Daito Ken; and The Monkey King's Fight with the King of the Bulls on Fire Mountain. (587 571)

ITALY

Milan, Teatro alla Scala: Leoncavallo's I Pagliacci, directed and with scenery by Franco Zeffirelli with Adriana Maliponte and Giuseppe Giacomini. In the same programme the ballet "La Strada", with music by Nino Rota, choreography by Mario Pistoni. Danced by top ballerina Carla Fracci. (Sun, Wed) (809 126)

Rome: Teatro dell'Opera. Verdi's Requiem conducted by Giuseppe Sinopoli sung by Mara Zampieri, Birgitte Fassbänder, Peter Dvorsky and Ruggiero Raimondi. (Tue, Thurs) (461 755)

Venice: Gran Teatro La Fenice - Teatro Malibran: Bellini's La Sonnambula conducted by Roberto Cecconi (Tues, Thurs) (25 191)

Turin: Teatro Regio: entertaining revival of Donizetti's early opera Ajo Nell' Imbarazzo with Luciana Serra and Alessandro Corbelli. (Sun, Tues) (58 000)

Verona: Teatro Filarmonico: a new interpretation of the story of Manon Lescaut by Daniel François Esprit Auber conducted by Jean-Pierre Marty. (Sun, Wed) (22 880)

BRUSSELS

Twentieth Century Ballet Company directed by Maurice Bejart performing The Magic Flute. Cirque Royale till April 15.

VIENNA

Strauss' Wienerblut conducted by Bauer-Theussl. Volksoper. (Fri, Sun) (5324/2657)

The Dance 84 festival continues at the Staatsoper with: Swan Lake, choreographed by Nureyev with Brigitte Stadler and Rudolf Nureyev and the Vienna Staatsoper Ballet (Sat). Don Quixote: also choreographed by Nureyev (Wed). Daphnis and Chloe and The Firebird. Both choreographed by John Neumeier. (Thur)

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Tuesday April 10 1984

Co-operation on defence

THERE IS a growing consensus that Western Europe needs more co-ordination and co-operation on security and defence issues within the Atlantic Alliance. Beyond this imprecise aspiration, major uncertainties remain: what is the real extent of the common ground between the European countries; what institutions do they need to explore this common ground; and is there a danger that European security co-operation could weaken rather than strengthen the Atlantic Alliance?

No cut-and-dried answers are likey to be supplied in the near future to any of these questions. But it now seems that the first serious attempts at least to explore the question will be undertaken next month at a meeting of seven Foreign Ministers in the framework of the Western European Union (WEU). The attempt deserves maximum support.

There are several issues which call for closer European co-ordination on security. First, *the confrontation* between Moscow and the Reagan Administration has high-lighted a profound difference of view between the European governments and their American ally over the best way to deal with the Soviet Union. Since the beginning of this year, Washington has abruptly moderated its rhetoric. But the volatility of American policy, which has been so disconcerting ever since the presidency of Jimmy Carter, virtually requires the governments of Western Europe to define more actively their own distinctively European attitudes.

Responsibility

Second, there is the debate over Nato's need to reduce its dependence on nuclear weapons by shifting more emphasis to conventional deterrence. Such a shift, requiring a larger defence effort, can only be achieved on the basis of a stronger and more explicit mutual commitment between the European countries; it also depends crucially on the contribution of France, which is not a member of the integrated defence organisation of Nato, and is not about to rejoin that particular fold.

Third, there is the debate over Europe's need to assume *greater responsibility for its* own defence. This debate is sharpened by periodic moves in the U.S. Congress to reduce the U.S. troop contingent in Europe.

Fourth, there is a long-standing need for Europe to reduce its dependence on the U.S. arms industry; but there is little prospect for an improvement in the terms of trade down the two-way-streets so long as the European arms industries remain fragmented and heavily influenced by nationalistic procurement policies.

Fifth, there is the rising cost of hi-tech weaponry in real terms. No European government will be able to afford to equip its forces effectively, unless they all devise methods of rationalisation and co-operation.

At first glance, the natural forum for exploring these ideas would seem to be either the Eurogroup in Nato, or the European Community. But the fatal drawback of the Eurogroup is that France is not a member; and the fatal drawback of the European Community is the attitude of three member states: the Irish are neutral, the Greek porture in Nato is ambiguous, and the Danes oppose any strengthening of the political dimension of the Community.

Advantages

As a fall-back, WEU would seem to be anomalous—except that its seven members are all unequivocally committed to the Atlantic Alliance. It achieved its apotheosis at its founding, thirty years ago this year, when *the enlargement of the Brussels* Treaty organisation provided the stepping-stone for Germany to join Nato as a full and equal member. Since then it has barely subsisted, in obscure and largely inactive semi-retirement.

But it does have advantages. Not only is the underlying treaty explicitly concerned with defence and security (even if the practical responsibilities were long since delegated to Nato), but the mutual commitment for joint defence is, if anything, stronger than that in the Nato treaty. Moreover, it has existing institutions, like a council of ministers and a parliamentary assembly, which may need adapting but do not need inventing.

Some adaptations are already being canvassed. The council, which has its headquarters in London, is routinely attended by the London-based ambassadors of the other six members, not all of whom will be specialists in security issues. One suggestion is that in future the political directors of the seven Foreign Miinstries, who regularly meet in the context of political co-operation in the European Community, should convene as the council of WEU.

The first priority is for those European countries which feel a need to improve security co-ordination, to explore the possibilities of what should and can be done. At this preliminary stage, WEU looks like the natural forum for such an exploration. All the member states are anxious not to upset the transatlantic relationship, nor to undermine the effectiveness of Nato; but the U.S. can only be relieved at any signs that the European countries may be looking for ways of taking greater responsibility for their common security.

U.S. TRADE UNIONS
The struggle to stop the rot

By Terry Dodsworth in New York and Stewart Fleming in Washington

IN THE New Hampshire primary election, where Mr Walter Mondale's supposedly sure-fire bid for the Democratic presidential nomintion first showed signs of faltering, the U.S. trade unions came out in force for him.

They threw themselves energetically behind their man, knocked up voters relentlessly and ferried them to the polling booths—only to see them walk in and pull the lever for Senator Gary Hart.

This kind of behaviour has been by no means peculiar to New Hampshire. Up and down the country, the unions have failed to deliver their vote in the way they were supposed to when they made Mr Mondale the first post-war candidate to be endorsed by the labour movement before the campaign began.

Indeed, in some of the early primaries, it looked as though union backing was hurting Mr Mondale as the charge that he was merely representing special interest groups began to stick. And even now, there is a strong possibility that he may have to fight for the nomination right through the convention, rather than coast smoothly home according to plan.

The unions never needed to take this sort of political risk in the days when their position in Washington was assured. *Their position, however, is* very different today.

Battered by three years of recession, on the retreat in the face of tougher-minded managements, and fearful of another four years of Reaganomics, they are desperately seeking to reconstruct the grand coalition with the Democratic Party which yielded the enormous workforce gains of the post-war period. They have *therefore gambled, pinning* their hopes on a candidate who will be their first real friend in the White House for 16 years if he wins the election.

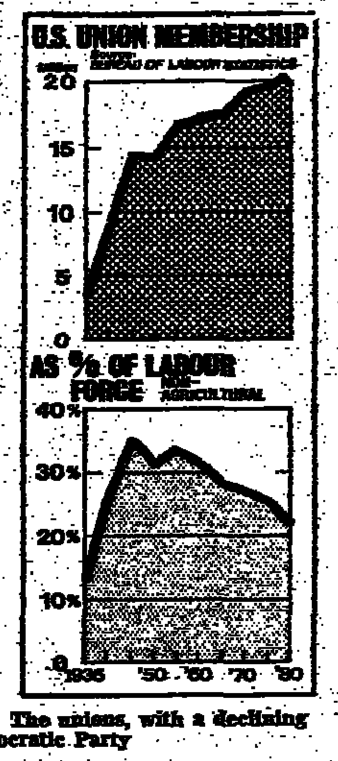
"Reagan understands that if you drive unemployment high enough and keep people out of a job long enough and keep the number of decent jobs few enough, some people will turn into strikebreakers and scabs to provide for their families," thundered Mr Owen Bieber, President of the Autoworkers at their recent conference in Detroit.

Mr Bieber has drawn up a formidable list of complaints against the present Administration, accusing it of a "great offensive against workers and worker organisations."

These anti-union actions include, he says:

- The breaking of the air traffic controllers' union back in 1980.
- Court decisions which allow companies to use the bankruptcy laws to break wage contracts and rewrite them on a lower scale—a procedure applied most publicly at Continental Airlines.
- A similar precedent-setting Labour Board decision (Milwaukee Spring) allowing a company to break into a three-year contract in mid-stream and shift work to a non-union plant.
- The appointment of Mr Donald Dotson, a noted critic of the unions as chairman of the National Labour Relations *Board, the Government agency* which did more than anything else in the 1930s to establish the modern trade union movement. Mr Dotson once wrote that "unionised labour relations . . . have been the major contributors to the decline and failure of once healthy industries."

In addition, he says the NLRB has recently appointed as solicitor Mr Hugh Reilly, the former attorney for the anti-union right-to-work foundation.



Walter Mondale on the campaign trail meeting steel union members in Pittsburgh last weekend. The unions, with a declining membership (see chart) are trying to reconstruct a grand coalition with the Democratic Party

Mondale promise to turn back the clock

According to the Autoworkers, these unsympathetic appoint*ments have caused the board's* work to slow to a snail's pace, so that cases against unfair employer tactics are simply not being heard in time.

Union support is being flung behind Mr Mondale because he has promised to try and turn the clock back across the whole of this broad front. He would stop the drift to the right in the administration of the law, pursue employment-based policies and also support some protectionist initiatives to support American jobs.

The bare statistics show how desperately the unions now need an injection of some magic potion to stop the rot. According to the Bureau of Labour Statistics — which ironically stopped collecting the figures in 1980 due to the Reagan cuts—trade union membership as a percentage of the total labour force peaked in 1953 at 25.5 per cent, fell steadily to 22.6 per cent in 1970, and has since plummetted to 18.2 per cent. In West Germany, by contrast, membership stands at around *42 per cent of the workforce,* while in the UK it is at about 57 per cent.

Union figures are notoriously unreliable in the U.S., but Mr Leo Troy, professor of economics at Rutgers University in New Jersey, calculates that in absolute numbers, private sector union membership reached its zenith of 17m in 1973 and dropped to 14m by the end of last year. In the public sector, he adds, membership reached 6m in 1976, and has since fallen away to 5.5m.

Professor Troy's analysis also demonstrates the enormously damaging impact of the recession on the auto and steel workers, the two key unions of the post-war era.

The Autoworkers' membership in the U.S. topped out at 1.4m in 1979, and had fallen to 998,000 by the end of 1982. *The Steelworkers, who reached* a maximum of 1.1m in 1975, have plunged to 617,000, and even the Teamsters, the strongest of them all, is down from its 1974 high of 1.9m to 1.6m.

There is a whole school of academics in the U.S. who argue that these kind of numbers show the unions are barking up the wrong tree in attacking President Reagan. True, *his policies have turned the* knife in the wound. But the private sector unions began to bleed in the early 1950s—when, incidentally, Mr Reagan was a leading light in the AFL-CIO affiliated Screen Actors Guild—and have continued to haemorrhage ever since.

"The unions have slipped back a generation," says Professor Troy. "Since World War Two there has been a tremendous change in the labour market, but they have never made the transition to cope with it."

What is odd about the union response—or lack of it—is that *the two most important changes* in the economic environment were so self evident that they had been clearly identified way back in the 1960s. Indeed, Walter Reuther, the legendary Autoworkers' leader, emphasised in a paper written in 1964 that the labour movement would have to meet the challenge both of new technology and of management's shift of expensive northern manufacturing plants to the cheaper, rural South.

In the atmosphere of heady optimism inspired by the triumphs of the previous two decades, he wrote confidently that Labour's "programmes of economic, political and social improvement, when properly presented have universal appeal to all employees, regardless of their locality or type of job."

These structural shifts nevertheless still pose the main threat to the unions.

First, the switch from blue collar to white collar employment implied by growth of high technology industries exposes the established unions to the threat of continuous membership erosion.

Secondly, new competitors are simply not going to go away, even if the dollar falls sufficiently to take some of the pressure off imports.

Companies have deliberately shifted from the heavily industrialised areas where unions have bid up wages to uncompetitive heights. Many of them have now re-based themselves in agricultural regions, tapping into non-unionised, and much cheaper, workforces.

At the same time, the labour force has itself altered in character as increasing numbers of women have joined it. Yet throughout the 1970s, the leading trade unions gave every appearance of being bastions of male chauvinism, paying little attention either to working women's concerns or to co-opting them into the leadership. It is only recently that the AFL-CIO has brought two women on to its executive council—one of them black—following a rule change specifically to achieve this.

The competitive pressures have been made even more severe by the measures to reduce government regulation in several industries pushed through largely by the last Democratic administration. By giving companies the freedom

A marriage which could damage both parties

to compete and throwing the market open, managements that had previously operated in a kind of collusion with their workforces have been forced to take a more aggressive stance towards the unions.

One of the reasons why the Teamsters have lost so many members, for example, is that many high-wage haulage companies have gone out of business, to be replaced by non-union shops. Even in the deregulated industries where the unions are hanging on, as in the airlines, their authority is in decline because they are losing the wages battle. They have been forced to give way both on absolute pay rates, which have often been cut in half, and on two-tier payment structures, under which newly-hired employees often earn vastly inferior sums.

The solution to this diminution of authority seems obvious enough: the unions should have got out into the field and done a better organising job. As Professor Troy points out, the U.S. labour movement is not poor. "The unions have net assets of around $5bn," he says. "If you have that kind of money, you can organise and you can take on lawyers just like the employers."

He argues that the labour movement is suffering from an aged and frequently backward-looking leadership with an acute lack of the sort of dynamism which achieved the great victories of the 1930s. Indeed, there is a palpable sense of defeatism in some of the excuses extended for the movement's failures.

In the deep south, for example, the Autoworkers contend that it is too difficult and too expensive to organise the small 200-men plants which are typical of the new sunbelt industries. The Steelworkers have found similar difficulties with the non-unionised mini-mills. And they are all patently puzzled over how to tackle workforces where relatively enlightened modern management has made working conditions sufficiently acceptable to make it difficult to see what more the labour movement could provide.

Eaton Corporation, for example, has now moved the vast proportion of its plants away from areas of heavy union concentration. It has re-established itself instead on greenfield sites with much more participatory management systems—and far fewer unions.

Yet the critics argue that it is here, in the workplace rather than in Washington, that the unions need to find an answer to their loss of prestige. Like the Democratic Party, the unions are facing something of an identity crisis. There are now serious doubts about whether the New Deal liberalism which pervades the political thinking of the progressive elements in both the unions and the Democratic Party is relevant to the industrial and political challenge facing American workers.

Hence the fears that the marriage between Mr Mondale and the unions could be damaging them both at a time when there is virtually universal agreement that the federal government should be shrinking, not increasing, its claims on the economy.

"The danger of this strategy for the unions is that it could lead the labour movement into a similar crisis to that which shattered it in the 1920s. This is now a real threat, says Mr Stanley Aronowitz, professor of sociology at the City University of New York's Graduate Centre.

"Unless they organise the millions of clerical and professional workers in financial services and retailing, and take account of technological changes and women's issues, they will sink to the level of the 1920s," he warns.

The abolition of wage councils

THE British Government wants a more flexible labour market. To this end, it is considering abolishing Britain's 26 wages councils. These independent tribunals set minimum wage rates (and hours and conditions of work) for 2¾m of Britain's lowest-paid workers, mainly in catering, clothing and retailing.

It is easy to understand the Government's impatience. It does seem anachronistic that committees, however distinguished, should still be able to pluck wage rates out of the air in defiance of market conditions. They are, in any case, declining in importance: in 1962 sixty councils covered 3½m workers. The Government has cut its force of inspectors by a third to 120.

To scrap the councils, the Government will have to denounce a convention of the International Labour Organisation (ILO). It cannot do this before June 1985—and then it will have to give a year's notice. In abolishing the fair wages resolution last year, though, the Government has already denounced one ILO convention. So it will not be afraid to do the same again.

Differentials

Textbook economics seems to back up the case for abolition. Minimum wages are either ineffectual, if set below market-clearing rates, or, if set above them, lead to higher incomes for those lucky enough to remain employed, but at the cost of a surplus of unemployed workers who can no longer "price themselves" into jobs.

The Government worries particularly about the possible impact of wages councils on youth unemployment. This is alleged to have risen because of a narrowing of pay differentials between young and adult workers.

Even if wages councils are not abolished, should young people be removed from their scope? Lower wages for the young might help them, yet not dent aggregate unemployment. The Government's Young Workers' Scheme—which gives employers a subsidy if they employ a young person at a low wage—seems to have done more to cause the substitution of one worker for another than to generate net new jobs.

Is there also a moral argument? Minimum wages, it is claimed, prevent the exploitation of workers with little or no bargaining power, and are a bulwark against poverty. The rates set by the councils are low, between £40 (for 16 year olds) and £71 (for the best-paid adults) — well below the £100 or so wage normally regarded as the "low pay" threshold.

Protection

But, just as it is less efficient to support farmers by raising the price of their produce than by giving them cash subsidies, so it may be inefficient to help the low-paid by artificially raising wages. Better to let them get market-clearing rates, topped up, if necessary, by social security.

Abolition of the wages councils may make sense as one element, though not the most important, in a series of measures to improve the workings of the labour market. But the move is bound to be criticised as an attack on those least able to look after themselves. The Government will need to convince its critics that the existence of the councils acts as a genuine deterrent to new hiring, and also that if this *safety net is removed for some* of the poorest members of the community, adequate protection is available through the tax and social security systems.

Men and Matters

Fitzpatrick, the lone ranger

Merrill Lynch, the world's biggest stockbroking firm, has a fast-moving team. Bright sparks come and go with predictable regularity.

But eyebrows have been raised in London over the news that David Fitzpatrick, vice-president of international research at the Thundering Herd, is leaving to do his own thing with a medium-sized London stockbrokers, Earnshaw Haes.

Fitzpatrick, still only 41, is the doyen of the Merrill Lynch international research team — 11 years service—and is an authority on precious metals and mining shares.

English-born Fitzpatrick, who was top in his year in business finance at the London School of Economics, sees his move as thoroughly in tune with the revolution now sweeping the London markets.

While negotiated commissions may be a novelty in the Square Mile, he was in the thick of that movement in the U.S. a full nine years ago. "Many of the experiences I gained then can be applied in the UK market in the near future", he says.

One of Fitzpatrick's problems at Merrill Lynch — although he is not sufficiently outspoken to tell the world about this — has been that an expert investment analyst working for thousands of clients through a major firm has to spread his advice and knowledge rather more widely than is prudent. In gold trading, for instance, the word about special *situations* has often been so spread among punters that they have ceased to become special situations in any sense leading to profits.

Fitzpatrick is clearly looking forward to being a bigger fish in a smaller pool. "I'm very optimistic about certain companies and sectors for the next two years."

He hopes his words will be more valuable because of their more limited circulation.

"If the cash machine has kept your card, it must think you work for the Inland Revenue"

Wine-cooler

As you might expect from a man whose family has lived in the Beaujolais region of France for 700 years, Marc Pasquier-Desvignes is not too happy about the fuss the British wine trade makes over Beaujolais Nouveau.

"I am not really too keen to see this trend develop too much," he says. "I think the Nouveau should only be a presentation of the harvest, a visiting card not a big commercial thing."

The 52-year-old head of the family firm of shippers—"We have documents of the family living in St Lager in 1290 and all the records from 1420 on"—has been leading a Beaujolais delegation of shippers and growers to London and Bristol *to promote the 1983 vintage,* one of the best of the past 10 years.

Asked in passing what he thought of English wine, Pasquier-Desvignes' response was a diplomatic barb worthy of the Quai D'Orsay. "I have enjoyed it tremendously because it's very . . . curious. You have a terrible climate for it, so many risks of frost damage and humidity. But when you succeed, it's just as good as any German wine."

Fork work

The City of London still takes its eating seriously. "It is quite common for 20 chefs to be carving hot lamb or beef joints for the second course, while the 750 guests are all happily eating their first course," says John Coombs, operations manager of Payne and Gunter, which specialises in fattening up the aldermen.

Coombs is limbering up for a personal triumph this week. *Tomorrow he will supervise his* 100th state banquet when the Duke and Duchess of Kent are hosts to the Emir of Bahrain at the Guildhall.

City banquets in the ancient livery halls are not always easy, Coombs confesses. "The distance from the kitchens to the groaning banqueting tables creates its own problems."

His secret is to cut out the hot plate servery and to serve the hot food direct on to the diners' plates.

Military precision is called for to run even a tiny state banquet. Coombs sends in the equipment and the wines the day before. "This lets the wines settle and they can be drunk at the right temperature."

As well as catering for the guests, meals must be provided for at least 100 other staff

But surely things go wrong sometimes. Coombs confesses that on one occasion a waitress served guests with coffee which turned out to be gravy.

Taxing times

Sudan's Finance Minister, Mansour Ibrahim, is confined to a sick bed in a private clinic, a victim of his own stringent curbs on public expenditure. For Khartoum's doctors have resigned en masse over pay and working conditions, closing all the capital's state hospitals.

Ibrahim's aides say he has malaria. Others suspect exhaustion from the mammoth round of negotiations to secure a year's stand-by agreement with the International Monetary Fund.

But the most accurate diagnosis may be that he has gone down with the hitherto unknown zakat fever, contracted after the promulgation on March 4 of the new Islamic zakat tax laws.

These take away from the Ministry of Finance all revenues from direct taxation—and create a second financial year. The newly formed zakat department will operate from the beginning of the Muslim new year (September 26), moving forward by 10 or 11 days each year, relative to the Gregorian calendar, according to the moon's phases.

Ibrahim, meanwhile, has to prepare his budget by June 30 to the satisfaction not just of parliament but of the donors pledging aid to finance Sudan's balance of payments gap.

Bated breath

China has begun exporting an electronic device which can sniff alcohol on a motorist's breath and prevent him from starting the engine, according to a Peking magazine.

The monthly China Reconstructs says three factories are already producing the sensor for customers.

Army technician Ren Zhicheng, who invented the device, got the idea at his birthday party when his wife proposed a toast. The pungent smell of the fiery maotai liquor which she had been drinking took his breath away, says the magazine.

Observer

Letters to the Editor

First step to reform of CAP

From Dr G. Hallett

Sir,—It may seem carping to criticise the details of the EEC dairy agreement, when the Community has at last done something. There are, however, dangers in the new arrangements.

Quotas can be justified only as a transitional measure, given grave disequilibrium. The least unsatisfactory form would be to make them saleable — even between countries (thus solving the "Irish problem"). In this way, farmers withdrawing from dairying would receive a financial cushion, while others would be able to expand to an economic size.

Now that the total quota has been set at a level well above commercial sales, however, it will be difficult to introduce saleable quotas.

Perhaps the total quota could still be set so as to fall over a period of years, with individual quotas made saleable when the total came within striking distance of commercial sales. The danger with the present system is that the pattern of production will be frozen, and that there will be strong pressure to maintain the milk price to support farmers with uneconomically small herds.

The elimination of MCAs is also questionable. Although they would have to be eliminated eventually, when there was equilibrium in the Community market, under present circumstances they have allowed high cost countries (Germany) to have a higher price than low cost countries. There will now be strong pressure to set an EEC price which reflects the highest production costs.

It will be necessary to go on stressing, as you have done, that guaranteed prices should be related to supply and demand, and that payments to ease social problems, or preserve the function that farmers perform as landscape gardeners, should be distinguished from price.

Dr Graham Hallett.
University College,
P.O. Box 78, Cardiff

Cost of EEC membership

From Mr R. Kitzinger

Sir, — Samuel Brittan has done your readers a great service by pointing out the folly of EEC policies in his splendid article "Wrong way to reform the EEC" (April 5). He deserves special thanks for emphasising that budgetary transfers are only a small part of the cost of membership.

But the most encouraging features of the first part of his article are his backing of Jacques Chirac's idea that Britain should cease to be a full member of the EEC and his vision of a true European Free Trade Area.

Equally valuable is his summary of the Omega Report, but there is one point in the quoted extract from the report that should not pass without comment: "Since European Community prices have virtually never been below world levels . . ."

Unfortunately, EEC food prices were below world levels for a few months in 1975—in the run-up to the Common Market referendum — thereby greatly helping the Europropaganda campaign.

Mr Brittan, as well as the Omega Report, shows how devious Euro-politicians can be. Probably EEC food prices were kept low during the referendum period in order to lure us into the spider's web.

R. Kitzinger,
31, Oakwood Court,
London, W.14

Sunday trading within the law

From the Deputy General Secretary,
Union of Shop, Distributive and Allied Workers.

Sir,—Mr J. D. Fletcher of Asda Stores (March 27) accuses the chairman of the Retail Consortium of making remarks which do not represent the retail trade. He then goes on to paint a picture which does not by any measure reflect the true situation of what is happening in this country in respect of those who trade either lawfully or unlawfully on a Sunday.

His views apparently seem to be based on operating a number of stores in Scotland (few enough to count on the fingers of one hand) which have opened on a Sunday, but he ignores the fact that most other major multiples have not seen fit to operate similarly; thus, with no competition on this basis he claims success.

To use the clearing banks as an example of demolishing the dubious nature of the "domino" theory is to ignore the fact that the bank concerned makes high premium payments to those who volunteer to work on a Saturday and charges even non-customers for the privilege of getting the service on a Saturday. This, surely, negates the suggestion that deregulation of shop hours will not mean increased costs to the consumer/ratepayer.

It could be described as arrogant to suggest that the greatest weight should be given to those "who have relevant trading experience and not to those who hide behind compromise," particularly in a sector where some are prepared to find ways round the law as provided by the wages council system in order to evade their responsibility for premium payments for Sunday work; or those who seek deregulation of shop trading hours on the pretence of serving the great British public while at the same time removing their retail presence from major cities and towns in Great Britain.

Mr Fletcher suggests that liberalisation of the 1950 Shops Act will only mean the operation by most of trading hours which were profitable. He fails to mention the great and fundamental issue of working hours which are safe for staff to travel to and from work and pay rates which are fair (or legal?) for those employed in the industry. Perhaps 2.5m managers and staff, 70 per cent of whom are female, are of little consequence in the pursuit of profit.

John Flood.
188, Wilmslow Road,
Fallowfield, Manchester

The dark side of efficiency

From Mr John A. Chandler.

Sir,—I was greatly disappointed with your leading article on "The Dark Side of Efficiency" (March 30). You have addressed what is undoubtedly the major problem of the next 25 years, and the only solution you can put forward is to ask government to create a few more jobs with public works.

There is no doubt at all that industry and commerce cannot now provide full employment and will be progressively less able to do so in the future. The U.S. can do so only marginally, and for a limited period, by "conspicuous consumption" on a massive scale. If it were duplicated around the world it would mean depletion of resources at a totally unacceptable rate.

There is also no doubt that it is politically impossible for any government to recognise this fact and abandon attempts (or promises) to return to full employment.

Thirdly, there is no doubt that unless satisfying occupations (as distinct from employment) are found for the vast mass of people who are unable to occupy themselves, except in destruction, the whole fabric of our society will crumble.

I believe that the French, who may be selfish but are not stupid, have seen this and sought the answer through attempting to cosset and protect the inefficient farmer and get others to pay for it. It is another solution which cannot be duplicated around the world.

Possibly Britain could also find a palliative that keeps the problem at bay for a short time at somebody else's expense, and perhaps other countries will do so by reducing their numbers to balance the available employment, or by "breaking up the looms" and living with inefficiency.

Some time, somewhere, a lasting human solution has to be found, and it is up to the opinion-makers, the media, the educators and the leaders of industry and commerce (not the government, who are the slaves of opinion), to find it.

The first step must be to recognise that the problem exists. It will not be solved by palliatives.

John A. Chandler.
P.O. Box 24, Nafplion,
Greece.


Lombard
The real threat in 'video nasties'
By Nigel Andrews

Scope of Video Recordings Bill

From Mr E. M. M. Steiner

Sir,—Nigel Andrews, in his "Lombard" article on the Video Recordings Bill, really protests too much. It may be regrettable that such a Bill has become necessary, but this is only a reaction to the movement of the pendulum over the last 25 years.

There has been a determined attempt over this period, in both literature and the performing arts, to push the limits of public acceptability ever further, and it may be that an ultimate limit has been reached.

The Bill's sponsor has clearly gauged the attitudes of the great majority correctly, since it has aroused so little resentment and opposition; and he seems to have retained a sense of proportion and moderation since he has resisted amendments to extend the scope of the Bill to soft porn even under pressure from the Prime Minister.

The public may not be articulate, but those who are frequently do not represent it, and this stricture must apply to some cinema and TV critics. Chris Dunkley is right in pointing out that the only objection to the "Jewel in the Crown" series has been criticism of the one explicit sex scene. Yet he is wrong in describing the sight and sound of it as "essential."

If nothing else, the unexpectedness and suddenness of this scene was wrong, not to mention the relatively early part of the evening in which it was broadcast. If the objections come not from a fringe element of "piano-leg drapers" but from the silent majority whose mood is now beginning to be caught by alert MPs, Messrs Andrews and Dunkley must not be surprised if the pendulum not merely slides but swings back to before 1959.

E. M. M. Steiner
Reform Club, Pall Mall, SW1

Privatisation and the City

From Mr P. K. C. Gibbs.

Sir,—I wish to point out the somewhat misleading nature of your article on April 4 in which you assert that "City merchant banks, stockbrokers and solicitors have received more than £22.7m from privatisations" in the last three years.

Although fees and commissions on the privatisations, on my calculations, average 2 to 2.4 per cent of the sale proceeds of such issues, 1.25 per cent of the proceeds are payable to an enormous variety of sub-underwriting investing institutions.

The proceeds of the privatisation issues that have generated £22.7m in fees and commissions (excluding The National Freight Corporation for which sub-underwriting was not applicable) were some £1,060m. Sub-underwriting commission on this would have been roughly £14m, leaving £8.7m to be divided among the solicitors, stockbrokers and merchant bankers.

Perhaps this will help to put the matter more into perspective for Dr Oonagh McDonald, who tabled the original Parliamentary question on the matter.

P. K. C. Gibbs.
18c Thornton Road,
Wimbledon, SW19.

Current cost accounting

From the Finance Director, Guest, Keen & Nettlefolds

Sir,—Your edition of March 29 informed us that the previous day, Mr Nigel Lawson had told the all-party Treasury and civil service committee of MPs that Britain's inflation rate should be reduced to zero within 10 years. It will be recalled that Mr Lawson, in his Budget speech, explained that his decision to abolish stock relief was because the days of high inflation were past.

In the same edition we were informed that the accounting standards committee, after months of debate, had approved a statement of intent on a new current cost accounting standard which, with some exceptions, will apply to public limited companies but not to small companies or nationalised industries.

I meet many bankers, institutional shareholders, stockbrokers and journalists, but I cannot recall a single expression of interest in my company's current cost accounts which inevitably take time and cost money to produce. It is, of course, necessary to recognise the effects of inflation in managing a business but this can be achieved without an accounting standard and the news therefore, that son of SSAP 16 may soon be born is no cause for joy, except perhaps that its profile may be less prominent than that of its father.

While it is laudable that the further reduction of inflation is a political priority, the usefulness of publicly accounting for inflation, is now highly questionable.

D. B. Lees.
P.O. Box 55,
Cranford St,
Smethwick Warley,
W. Midlands.

From Mr Douglas Dale.

Sir,—A typical auditor's report includes the words ". . . we have audited the financial statements which have been prepared under the historical cost convention . . . and in our opinion they give a true and fair view of the state of affairs of the company . . . and comply with the Companies Acts 1948-1981 . . ."

The first two of these extracts are mutually contradictory. If the third if true in the light of the first two, then the Companies Acts needs amending to insist on a "true and fair view" but to forbid the inclusion of extracts one and two altogether.

This would, at a stroke, force all companies to draw up inflation-adjusted accounts and their accountants to do a bit of original thinking instead of trying to justify the unjustifiable

Douglas Dale,
97, Hilderstone Road,
Meir Heath, Stoke-on-Trent.

Fair taxation of married women

From Mrs Evelyn Tayler

Sir,—The solution put forward in the article "Fair taxation for women" (April 3) seems neither simple nor fair if non-working wives are to be graded according to their age, affluence and number of dependent children.

If this solution were adopted, mothers would be encouraged to rush out to work at the earliest opportunity to take advantage of the "working" allowance as well as the increased child benefits — a most undesirable situation.

The only really fair system is one allowance for every man and woman. Wives would not then feel pressured either to go out to work or to stay at home. They should be separately taxed as a right and be able to opt for joint taxation — not the other way round, as at present.

Would this be too complicated and costly for the Inland Revenue to administer?

Evelyn Tayler,
18 Marshalls Road,
Braintree, Essex.

Successful investment in smaller industrial companies

From Mr Robert R. Stockfis

Sir,—Readers of the Lex Column on March 31, on Smaller Companies," may have been left with the impression that whereas smaller companies can produce abnormal returns by growth, acquisition and revaluation the established "favourite shares" have only growth. Recent research and BAT's successful bid for Eagle Star surely cast doubt on this assumption.

I would draw your attention to research carried out by Oppenheimer and Schlarbaum, "Investing with Ben Graham: An Ex Ante Test of the Efficient Markets Hypothesis" (September 1981). There they reported that superior risk-adjusted returns could have been earned by an investor who selected stocks on the basis of that recommended by Ben Graham in editions of his book "The Intelligent Investor."

For these investors, characterised as "defensive" they found that . . . "the common stocks selected on the basis of Graham's rules earned, on average, positive abnormal returns even after allowance for the impact of the taxes, transaction costs, and search costs that would have been incurred by an investor employing these rules . . ."

Under Ben Graham's "size of firm criteria" he specifies that it should have . . . "U.S.$50m in assets or annual sales and be in the upper quarter or third of its industry in size . . ." In other words these criteria are inevitably *excluding* those firms which could be included in any list of "smaller companies."

Yet, over the 20-year period, 102 companies were replaced in the Master Portfolio. We find that 10 or more securities were replaced in each of the years 1958, 1961, 1965 and 1967 and there was at least one replacement in each year (the years in which a relatively large number of replacements occurred were very good years for common stocks).

But of these 102 companies that were replaced, while 72 of these no longer satisfied the p/e criteria, 22 *were acquired*, six no longer satisfied the capital structure criteria, and one company omitted a dividend.

Thus in this particular study one-fifth of the companies that were replaced were replaced by a mechanism supposedly applicable only to "smaller companies." Thus investors should not exclude the acquisition process from companies that we might consider "large."

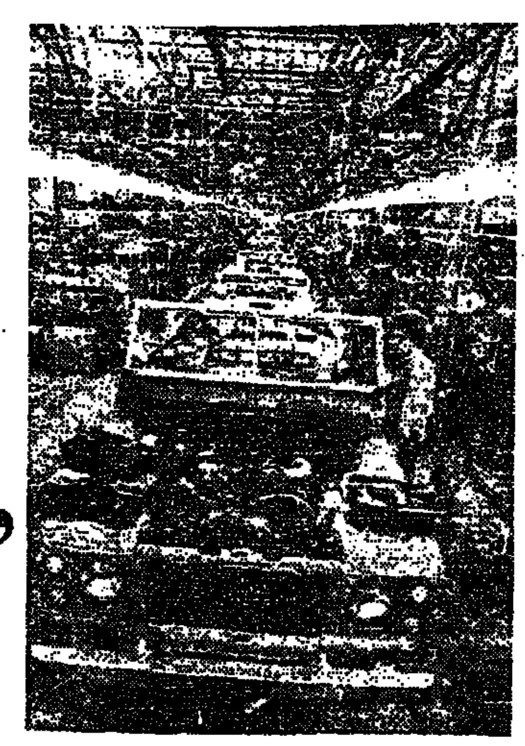
The type of guide suggested by Ben Graham should provide an investment framework that is complementary to that suggested by Capel-Cure Myers in their new evaluation of smaller companies. In any case, modern portfolio theory would suggest that investors have a spread of both larger and smaller companies represented in portfolios, weighted so that the higher specific risks of smaller companies are diversified away.

Robert R. Stockfis.
University of Manchester.

Mood of West Midlands

'Recovery, recovery, what recovery?'

Arthur Smith on a pace-setter's decline


Hugh Routledge
Land Rover production at Solihull

HE STRIDES along the echoing corridors of half-empty office blocks built in the grand glass style of the 1950s when the world seemed to owe a living to the booming West Midlands. He points with pride to the expensive machine that his workers claimed and restored after a customer's tip-off that it was on the scrap heap of a West German competitor.

He is in charge of one of Britain's big-name companies. But because of his important export business he wishes to remain anonymous: "The FT is the one newspaper read by all our customers in Europe, and I would hate them to get the impression we might be inefficient in any way."

Acre upon acre of his sprawling site is silent—a sad reminder of prosperity and the thousands of jobs axed over the past decade, particularly the past four years.

It it a scene all too familiar in the West Midlands, Britain's industrial heartland: the region that was once the pace-setter on pay and investment now ranks in terms of unemployment and social deprivation alongside the worst.

Mr Max Taylor, senior partner in Grimley and Son, Birmingham-based chartered surveyors specialising in industrial property, says there are signs of an upturn and increased inquiries. But it is relative: the amount of vacant floor space now stands at around 24m sq ft compared with perhaps 30m sq ft in the depths of recession. "The heavy sector of industry in the Black Country — I am talking about the tin-bashers and boilermakers — are still suffering quite alarmingly," he says.

Yesterday, it emerged that more than 3,000 jobs at Lucas and Dunlop and a £20m investment hang largely upon a decision by Austin Rover whether or not to continue buying British.

It is against this background that West Midlands industrialists view with scepticism the optimistic talk of recovery emanating from Westminster, Whitehall and the Centrepoint headquarters of the Confederation of British Industry. Orders do appear to be improving, particularly in export markets. There are declarations that investment will be increased. But it is from a very low base, and there is little confidence that even the present limited expansion can be sustained.

The regional office of the CBI might confess in private that it is running out of cliches to skate around the uncertainty. Last year it was "too soon to throw hats in the air." Now "celebrations are still being kept on ice."

Similarly, the West Midlands Chambers of Commerce in their latest quarterly survey of business intentions had to put a question mark against the mixed bag of findings: "Over the hump?"

Sir Arthur Bryan, chairman of Wedgwood, the china manufacturer, might have returned the sort of pre-tax profit figures —more than doubled, at £2.86m, in the six months to last October—that would encourage optimism. But he believed the national CBI forecasts to be "over the top" and "too London-orientated."

The men at the sharp end of industry, the dropforgers who supply the conrods and piston rings for cars and the turbine blades for aircraft, are more outspoken. Mr David Powis, director of the National Association of Dropforgers, says output in January, at 22,000 tonnes, was 20 per cent up on a year ago. Production for the year was, nevertheless, likely to be only 5 per cent higher. "To talk about growth is a bit sick. It is just a question of clawing back a little of what we have already lost." The industry has seen output more than halved in four years to 220,000 tonnes and the labour force slashed from 23,000 to 11,000.

Equally blunt is Mr Alan Carter, whose private engineering company, Hi-ton, supplies gears and components to the agricultural and automotive industries. Over the last two years he has pushed up turnover by 30 per cent to more than £4m a year and increased his labour force by 60 to 200.

It was in the context of that success that he was visited two weeks ago by Sir Brian Hayes, Permanent Secretary at the Department of Trade and Industry, on a fact-finding visit to the West Midlands. Mr Carter's message was simple: "Yes, there is business about, but it is because our competitors have gone bust. I cannot see any upturn in the economy. Of course, things are better than 12 months ago." He laughs: "They could not get any worse."

One factor raising confidence in the region has been the round of successful profit figures from the leading West Midlands-based companies: GKN, TI, Lucas Industries, Automotive Products, AE, and Cadbury-Schweppes.

A pointer to how the turnround has been achieved is given by Mr Eric Swainson, managing director of IMI, the Birmingham-based metals and engineering group, which showed a 46 per cent rise in pre-tax profit to £31.6m on a £676m turnover. He reports that any increase in volume demand for the company's wide range of products has been mixed and at best relatively modest.

Of immediate concern is the future of the companies producing lower-added value products heavily dependent upon a shrinking UK market. Informal talks between the big foundry suppliers are already under way on rationalising excess capacity.

It remains as true today as a decade ago that the pace of activity of West Midlands industry depends upon the level of production at British Leyland —albeit the state-owned operation is now little more than the rump of its once grand empire. Dr Cedric Thomas, chief executive of Benjamin Priest, a Black Country engineering company with a £40m a year turnover supplying the automotive industry, is reluctant to place too much importance upon an apparent increase in business activity. "I remember the euphoria this time last year. It merely reflected the build-up to the August car registration figures and dropped off around October. The same could happen again."

But for all the talk of new investment there is little evidence of projects actually getting off the ground. Mr Anthony Rudge, chairman of the Birmingham board of Barclays Bank reports: "Manufacturers may all have the best of intentions but they are not borrowing the money."

On the labour front, the once-notorious militancy of the Midlands car workers has evaporated against the background of unemployment and company closures. Pay settlements are currently running at well below the national average at around 5½ per cent, according to the engineering employers.

The mood of the region is perhaps caught in the vast glass-fronted Birmingham headquarters of the Amalgamated Union of Engineering Workers. Mr John Allen, a harassed district secretary, looks incredulous: "Recovery, recovery, what recovery?" He nods to a pile of paperwork: "All I have got is a growing list of redundancies and closures."

He grabs his coat to visit a Birmingham site where shop stewards are concerned that up to another 400 jobs are at risk.

FINANCIAL TIMES

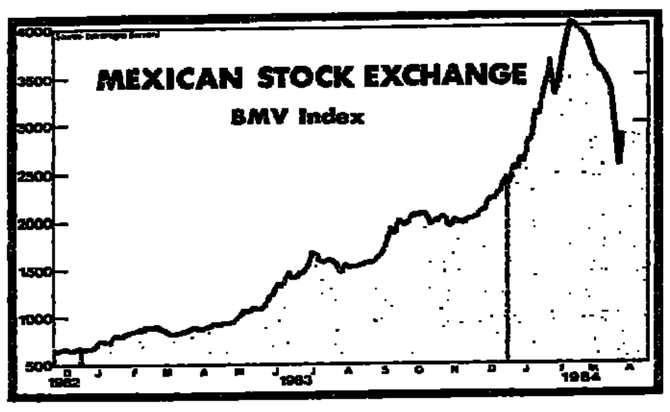
Tuesday April 10 1984

David Gardner in Mexico City reports on a market that rose too far, too fast

Why Mexico's share bubble burst

"I THINK we're now moving beyond a correction," one stockbroker said laconically last week as the Mexico City Stock Exchange, which last year outperformed all bourses, came down with a bump.

The exchange's 42-stock index had 22.8 per cent wiped off it in four days last week, and had lost nearly 37 per cent of its value since it reached the historic high of 4,079.14 on February 28.



Last year the market boomed, and, recovering from the shock of the financial collapse of autumn 1982, the index jumped from 676 to 2,452 by the end of the year, a rise of 262 per cent. The by now largely speculative boom continued in January and February, finally pushing the index through the 4,000 barrier.

The main factors fuelling last year's dramatic rise were, on the one hand, the remarkable turnround in the macroeconomy, with a current account surplus which ended the year at $5.5bn after a 1982 deficit of $4.9bn, and growing evidence as the year progressed that the Government had broken the inflationary spiral. Profits, on the other hand, looked good.

The 103 most actively traded stocks were in companies which turned in an average profit increase over 1982 of 157 per cent. An important proportion of the companies concerned were in the silver mining, chemicals, services, and metallurgy industries, reflecting the one-off benefits of devaluation – either directly through exports or through charging international prices – and the increase in money earnings brought by inflation.

As the market began to go up too fast in the first two months of this year, however, self-propulsion began to take over from any obvious stimuli to its rise.

During January and February, interest rates came down some 10 per cent. Though certainly an incentive to investment in equity, this fall was by no means commensurate with the sort of price rises – and falls – taking place on the exchange.

There was, for example, little evidence of selection by investors, Cerveceria Moctezuma, the financially-crippled brewery with $346m in foreign debt and losses in the nine months to September last year of pesos 3.4bn ($19.7m at current exchange rates) on sales of P23bn, saw its shares rise from P11 to P41 in February.

Industrias Penoles, on the other hand, the world's largest silver producer with net earnings for the first 11 months of last year of P11.6bn on sales of P60.9bn, and planned dividend payout of P75 per share, saw its stock take a beating even before the huge falls of last week. On Friday, Penoles shares stood at P1,070 from a high of P1,800 in February.

Until January, some analysts believe, there was some correlation between the increase in profits and the rise in the market. After that, and as the index continued its dizzy rise, it was only a matter of time before the bubble burst. There is some division of opinion, however, on what actually pricked it.

The market showed signs of nervousness at the beginning of March, shortly before the Government announced the terms of the handover of company assets which were nationalised when the private banks which owned them were expropriated in 1982.

On the one hand, there were fears that prices would be driven down with the market awash in new equity – these shares had not been traded since expropriation – and on the other, there was considerable speculation on the price at which the stock might be issued, which made some of the freely traded shares in the same companies look underpriced.

In the event, the authorities made clear that the shares going on to the exchange would be released in stages, and although they announced various mechanisms for valuing the assets, there is a margin of discretion in actually pricing most of them.

A further cause of the market's fall could be changes in accounting practices, some analysts argue. The introduction of inflation accounting this year appears not to have caused as much confusion as had been expected, but the superficial deterioration in corporate results caused by the renegotiation of the private sector foreign debt has wiped the shine off many companies, despite the underlying improvement in their finances.

The renegotiation, under the aegis of the Government – backed Ficorca scheme, covered $11.6bn of foreign debt contracted before December 20 1982, and basically protects companies against exchange rate fluctuations. But whereas previously these obligations had simply appeared on the balance sheet, they are now Peso-denominated, subject to Mexican interest rates, and are included in the profit and loss account – the proverbial bottom line.

Higher inflation figures than expected, of 5.3 per cent for February and 4.3 per cent in March, and a halt in the gradual fall in interest rates at the beginning of March, combined with these perceived negative trends to start the market on a gradual downward slide.

Momentum picked up, however, when San Cristobal, a joint venture with Scott Paper of the U.S. and one of Mexico's two leading paper producers, announced first – quarter losses when the market had been expecting profits.

When the market opened on Monday last week it stood at 3,350.47, by the close the following Thursday it had plummeted to 2,585.45.

Whether this is a corrective move as the market finds a more realistic level remains to be seen. On Friday, prices picked up sharply, raising the index by a record one-day increase of 262 points to 2,847.85, in a movement seen by some analysts as a recovery, but by others as a last frenzied bout of speculation.

A separate question, raised particularly by government officials, is to what extent the fortunes of the stock exchange have any bearing on what is going on in the economy. The market is small by international standards, with a total capitalisation of the 103 most-actively traded companies of P506bn in January. Relatively small volumes of trading can produce sharp fluctuations, yet the exchange has in the past been a harbinger of future trends and an important index of people's expectations about the economy as a whole.

One potentially threatening movement last week took place outside Mexico, in the "parallel" peso-dollar market based in New York, Chicago and San Francisco. After a period in which the currency premium over the official rate had virtually disappeared, there is now a margin of nearly P3, indicating that some investors, at least, have reduced their expectations of recovery and opted to take their money out of the country.

But many brokerage houses had forecast the January–February rises for the whole year, and in that light it appears that the market has simply compressed into two months a whole yearly trend. Analysts point to the similarity between the current fluctuations and the 1979 boom and collapse, arguing that the concertina effect could mean that the market will pick up faster than it did then, resuming a gradual path upwards towards the middle of the year.

Stock markets, Section III

Metallgesellschaft back in the black

BY JOHN DAVIES IN FRANKFURT

METALLGESELLSCHAFT, the West German metals, process plant and chemicals group, has climbed out of the red for 1982-83 and continued to make steady progress so far this year.

For the year ended September 1983, the group has recovered dramatically, turning in a net profit of DM 25m ($9.5m), compared with a deficit a year earlier of DM 19m.

Sales and operating earnings in the first five months of the current financial year are up about 15 per cent and earnings were virtually doubled.

Metallgesellschaft executives stressed, however, that the company still faced uncertainties and risks, particularly with problem areas such as nickel processing and Canadian copper mining.

But Herr Karl Gustaf Ratjen, the retiring chief executive, said a dividend payment might be possible after two years of omission.

The group's profit recovery in the last financial year came despite a relatively modest increase in sales revenue, with worldwide sales up 3.1 per cent to DM 10.98bn but with sales of the domestic group barely ahead at DM 9.79bn.

Herr Werner Busch, the finance chief on the management board, said that trading operations, particularly in metals, had helped to boost earnings last financial year.

Dr Dietrich Natus, who is to take over as chief executive next month, said the better results so far this year arose from firmer metal markets, economic recovery in West Germany and in export areas, and structural improvements in company operations.

He said the company's Lurgi subsidiary was producing good earnings but had to lower its sights in the years ahead because of a shortage of large process plant orders.

It was likely to be another one or two years before many process plant orders were placed, he said. Major industrial sectors such as steel, non-ferrous metals, oil refining and petrochemicals already had unused capacity

On the other hand, Lurgi saw prospects in installations for environmental protection, energy technology and other engineering fields.

Reuters may seek stake in Mercury

Continued from Page 1

way for collaboration on the distribution of financial services, combining Reuters' extensive information-gathering and processing resources with Mercury's planned communications network in the UK and internationally.

The two companies together could provide a strong competitor for British Telecom and for International Business Machines, the leading U.S. computer manufacturer, both of which are moving into the financial information services business.

Reuters owns no communications circuits at present and relies heavily on a network of private circuits which it leases from telecommunications carriers to distribute its news and financial information services worldwide.

Nicaragua to take U.S. to World Court

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

THE NICARAGUAN Government went ahead yesterday with World Court proceedings against the U.S. for allegedly secretly plotting its overthrow, despite hasty evasive action by Washington at the weekend.

The U.S. announced late on Sunday that it would not accept the court's jurisdiction in disputes involving Central America for the next two years. The move was seen in Washington as likely to provoke a major new outcry from congressional opponents of President Reagan's controversial Central American policies.

In The Hague, site of the International Court of Justice, Sr Carlos Arguello Gomez, the Nicaraguan Ambassador, said his country had filed a case against the U.S. charging it with "secret operations" against the left-wing Sandinista Government.

The Nicaraguan announcement followed a series of disclosures in Washington in the past few days that Americans employed by the Central Intelligence Agency have for months been directing mining operations against Nicaraguan ports from an intelligence ship off the country's Pacific coast.

The Administration now faces a highly charged debate in the Democrat-led House of Representatives over its request for a further $21m in aid to the U.S.-backed "Contra" rebels against the Nicaraguan Government.

Under World Court rules, a nation can refuse to be judged by the court, but only before a case has been brought against it.

Cadbury seeks OTC share quote in U.S.

BY ALISON HOGAN IN LONDON

CADBURY SCHWEPPES, the UK food manufacturing group, hopes to woo U.S. investors into buying shares in the company by seeking a quotation on the U.S. Over-the-Counter market. It will issue around 40m shares in the form of American Depositary Receipts (ADRs) to raise at least $75m.

Mr Hugh Collum, group finance director of Cadbury Schweppes, said: "More than 20 per cent of our trading profit comes from the U.S., yet we have a negligible U.S. shareholding."

The North American business has trebled its profit contribution in three years and is the fastest-growing region in the group. Cadbury Schweppes spent £27.5m ($39.3m) in 1983 on its U.S. businesses, including Peter Paul Cadbury confectionery, Duffy-Mott apple juice and Schweppes drinks. It expects to spend even more in 1984.

Cadbury Schweppes, advised by Kleinwort Benson, has decided to issue between 40m and 60m shares based on the middle market quotation of 127p on April 2. U.S. practice is to price issues near market levels rather than at a discount, as is common in the UK. Morgan Guaranty will act as depositor of the ADRs,

See Lex; this page;
Over-the-counter prices,
Pages 36-37

Mondale and Hart test market

Continued from Page 1

half starts with the next big challenge, the Texas caucuses on May 5.

Mr Hart comes out of his starting gate today with something of a handicap. Pennsylvania Democrats will vote in two separate ballots, one to express their overall presidential preference and one for delegates to July's national convention in San Francisco that officially nominates the candidate. And while the two men may look fairly evenly matched in the presidential popularity poll, Mr Hart is virtually bound to lose the contest for 117 convention delegates. (A further 55 will be allocated on the basis of today's results and another 23 will be selected later as "uncommitted," for a total of 195).

In his "dark horse" days, Mr Hart concentrated his meagre resources – rightly, as it turned out – on the small, early-voting states of Iowa and New Hampshire. He filed only 47 delegates for the 117 district slots in Pennsylvania, where Mr Mondale has fielded a full slate. Mr Hart now has to persuade people to vote for his newly "adopted" delegates, whose names confusingly appear on the ballot as supporters of candidates like Senators John Glenn and Alan Cranston, who have since dropped out of the running. It is, says his campaign staff, "an organisational nightmare."

If, however, Mr Hart can win the popular vote – after his defeats in Michigan, Illinois and New York – it would finally show that he can attract support in the kind of ageing industrial states that a Democrat must be able to carry against President Ronald Reagan in November.

If Mr Mondale can win both the delegate and the popularity contests, he will build up a commanding position. He should move over half way towards the 1,967 convention delegates needed for nomination, the pundits and pollsters will start asking whether the Hart phenomenon is over.

On paper, Mr Mondale, who is much better organised and much better known in the state, should win. He has run particularly strongly so far in states with high unemployment, and Pennsylvania's jobless rate is among the five worst in the nation, the old "smokestack" state, still the nation's fourth largest in population, has been slow to emerge from recession.

A third of the workforce is unionised, and the unions, who officially support Mr Mondale, are traditionally strong in the declining industrial and steel areas of Philadelphia in the east and Pittsburgh in the west. As in New York, he has the support of most of the party establishment.

But Pennsylvania is also a major agricultural state, and outside the large cities – in the suburbs and the more conservative countryside – Mr Hart is more strongly favoured. Even in predominantly working-class Philadelphia, where Mr Hart's campaign is being run by his now-familiar coalition of University students and young urban professionals (the so-called "Yuppies"), the once-powerful pro-Mondale party machine is no longer the force it was.

In the past week, the high voltage tension that flickered between the two men in New York has somewhat abated. Both seem to have realised that their constant bickering and sniping threatened to prove counter-productive with voters who, in Pennsylvania at least, are already regarding both leading contenders with a certain disillusion.

Both are now trying to appear more presidential. Mr Hart has tried to stop responding in Pavlovian fashion to each of Mr Mondale's attacks on his record. He has finally started trying to answer the still widely-asked question "who is this guy?" by running a series of biographical advertisements on television explaining his working class origins.

Mr Mondale has transferred some of his invective from Mr Hart to Mr Reagan, and begun once again tentatively to assume the mantle of heir-apparent that Mr Hart snatched from his shoulders in New Hampshire. But if he is toppled again here, he will probably have the Evangelism of Mr Jackson, as much as Mr Hart's "new ideas," to thank for it.

All the signs are that Mr Jackson will repeat the dazzling success with black voters that he scored in New York a week ago. He will run particularly strongly in Philadelphia, where blacks, who account for 43 per cent of the city's Democratic vote, would otherwise have swung heavily to Mr Mondale.

At Philadelphia's White Rock Baptist Church on Sunday, Mr Jackson was in full swing before a mainly black congregation. Increasingly statesmanlike in the formal, televised campaign debates, in the pulpit Mr Jackson reverts to the instinctive style of the natural preacher that he is – intermingling religion and campaign slogans to the extent that his listeners are left unsure whether he sees himself as a politician or a prophet.

Introduced as "the messenger with the word from the Lord," Mr Jackson summoned up Moses, Abraham, Esther, Jesus and St Paul as examples of people who, like himself, had headed in the "right direction." Perhaps in reference to his own prospects for winning the nomination, he added that going in the right direction did not necessarily mean "getting there."

But with three more churches to go before a midday television appearance, it was quite clear that his flock would follow him on what he called his "walk to Canaan" (better, he said, than a chariot-ride to Egypt).

If anyone ruins Mr Mondale's business in Philadelphia today, it is going to be the fluent and charismatic Mr Jackson.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	15	59	Dubrovnik	F	18	64	Malaga	F	18	64	Salzburg	C	6	43
Akrotiri	F	19	66	Faro	S	19	66	Malta	S	18	64	Seoul	C	15	59
Algiers	—	—	—	Florence	T	19	66	Manila	S	36	97	Singapore	R	31	88
Amsterdam	C	8	46	Frankfurt	R	7	45	Miami	C	25	77	Stockholm	C	10	50
Athens	F	19	66	Funchal	C	18	64	Milan	F	15	59	Strasbourg	F	11	52
Bahrain	C	31	88	Geneva	S	10	50	Moscow	F	10	50	Sydney	R	19	66
Bangkok	S	35	95	Gibraltar	C	15	59	Munich	C	5	41	Taipei	C	24	75
Barcelona	F	15	61	Guernsey	F	9	48	Nairobi	F	30	86	Tangier	—	—	—
Beirut	C	22	72	Helsinki	S	6	43	Naples	S	17	63	Tehran	—	—	—
Belgrade	C	12	54	H. Kong	C	22	72	New Delhi	C	35	95	Tel Aviv	F	20	68
Berlin	C	8	46	Innsbruck	F	9	48	New York	F	12	54	Townsville	C	22	72
Biarritz	S	13	55	Inverness	C	10	50	Nice	S	15	59	Tokyo	C	13	55
Blackpool	S	8	46	Istanbul	F	13	55	Oporto	S	20	68	Toronto	C	10	50
Bordeaux	S	12	54	Jersey	F	10	50	Oslo	Fg	5	41	Tunis	S	20	68
Brussels	C	5	41	Jo'burg	S	25	77	Paris	F	10	50	Valencia	F	18	64
Budapest	C	15	59	Las Palmas	—	—	—	Prague	F	7	45	Venice	F	18	64
B. Aires	S	24	75	Lima	S	25	77	Reykjavik	C	3	37	Vienna	R	7	45
Cairo	S	24	75	Lisbon	C	20	68	Rio de J'o	C	29	84	Warsaw	F	15	59
Cape Town	S	24	75	Locarno	C	15	59	Rome	S	16	61	Zurich	F	8	46
[illegible]	C	31	88	London	F	8	48								
[illegible]	C	5	41	Los Angeles	S	28	88								
[illegible]	C	6	43	Luxembourg	C	6	43								
[illegible]	S	19	66	Madrid	S	18	66								
[illegible]	F	11	52	Majorca	S	18	64								

Readings at mid-day yesterday
C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

THE LEX COLUMN

A Wall St mixer for Schweppes

Dr Kaufman seems to be losing his touch. The economist's latest, and distinctly bearish, views on U.S. interest rates were sufficient yesterday to dispel any relief felt on Wall Street by the modesty of the Federal Reserve's discount rate increase. But, compared with the famous panic reactions he inspired a few years ago, it was pretty tame stuff.

Cadbury Schweppes

Cadbury Schweppes could almost be forgiven for wishing it were Schweppes Cadbury as it sets about establishing a market for its equity in the U.S. Food stocks have tended to trade at a discount to average multiples on Wall Street while the big names of the beverage sector have generally enjoyed a premium which has been quite conspicuous so far this year. The Schweppes brand ought to give the group's reshuffled top management a chance to excite some new confidence in the shares – certainly more, anyway, than has been apparent in the London market for most of the past two years.

The U.S. issuing syndicate will be expected by Cadbury to place the shares via American Depositary Receipts with bona fide U.S. investors and to commit enough capital to the secondary market if necessary to prevent much initial leakage back to the UK. The most likely outcome, though, given an encouraging initial response, must be an accumulation of enough 'unsponsored' ADRs to push U.S. ownership well over 20 per cent.

The group's UK shareholders, who still hold virtually all of the equity, ought not to feel too unhappy with the proposed impairment to their redemption rights. Even 60m new shares, equal to 11.9 per cent of the enlarged capital, will mean only a minimal dilution in earnings per share. Cadbury's gearing ought to be reduced to somewhere below 50 per cent and management's new regard for the U.S. capital market fits comfortably with its recognition of the U.S. as the key growth market for its products. Meanwhile, the shares might be expected to benefit from the removal of the rights issue cloud which has hung over them almost since the recession started – and there is now the juicy prospect, of course, of an onset of U.S. buying.

The shares' recent strong recovery arguably reflects some new optimism that Cadbury's heavy investment programme since 1981 is beginning to bear fruit. But most leading UK food companies have enjoyed an overdue rerating in recent months. At 127p, up 3p, Cadbury's share price is still treading some wearily familiar ground and its prospective p/e multiple of less than 10 trails a little behind those of the major U.S. soft drinks stocks.

There is no reason on the face of it why UK investors, aided perhaps by the new international dealers, should not themselves contribute to this activity. They will incur no net tax penalty in most cases and the slight additional administrative costs seem likely to be more than matched by the saving of UK stamp duty. If more UK companies follow this example, the liberalisation of the London market might be arriving just in the nick of time.

Glaxo

Glaxo's success, based on the conquering progress of its ulcer drug Zantac, has begun to reach the stage where even enthusiasts must find it a little embarrassing to recite the catalogue of virtues. This time, reporting on the six months to December, Glaxo can show pre-tax profits up by a mere 46 per cent – to £117.4m – with sales racing ahead and margins a fifth higher than last year at 27.5 per cent. Just the sort of figures which are bound to turn competitors green with envy and send health service accountants into spasms of price-fixing.

Not that there is anything to cavil at in Glaxo's performance as Zantac pushes on with increasing speed towards the sort of volumes where the heaviest promotional costs pale beside the sales revenues. Supported by the still expanding markets for drugs like Zinacef and Ventolin, sales are growing at well over 20 per cent. With further product launches during the current year, notably the cephalosporin Fortum, the momentum can scarcely be checked.

Moreover, Glaxo expects to retain a higher proportion of its profits after tax, unlike many companies with a backlog of capital allowances unprovided for in the balance sheet, Glaxo seems to have some shelter for its deferred tax in the form of allowances still available for scientific research spending.

All the same, Glaxo is going to be living over the next few years with the problems of success, a condition which has weighed heavily upon its main competitor in anti-ulcerants, SmithKline. As Glaxo continues to pile up cash, it must be wondering how to avoid the ill-judged diversifications and gaps in product development which have seen the SmithKline share price slide from a peak reached four years ago when its market leading drug – Tagamet – was roughly where Zantac is now.

Morgan/Pinchin

For all the doe-eyed glances between Morgan Grenfell and Pinchin Denny yesterday, the City of London's latest link-up looked suspiciously like a marriage of convenience. With its principal competitors already attached, Pinchin's days as an independent stockjobbing partnership were numbered, while Morgan Grenfell has been talking to so many prospective partners over the past few months that an announcement of this sort was only a matter of time.

No-one was talking numbers yesterday so it is impossible to judge how the price being paid for Pinchin compares with either the Smith Bros or the Akroyd deal. But it would be surprising if the partners of Pinchin went home unhappy last night.

At first sight, Pinchin hardly looks the ideal fit for Morgan, which has publicly identified fixed-interest as its first priority in the gleaming new London securities market. Pinchin has built up its market share in gilt-edged to something near 10 per cent, but is still not in the same league as Wedd or Akroyd. Nor can it offer the international experience of Smith Bros. Morgan will admittedly be taking less initial risk than Warburg has accepted on Akroyd but, with no disrespect to Pinchin, it does look as if Morgan has found its partner *faute de mieux*.

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by G.T.S. Damer, Frankfurt/Main, F. Barlow, R.A.F. McClean, M.C. Gorman, D.E.P. Palmer, London, as members of the Board of Directors. Printer: Frankfurter Societäts-Druckerei GmbH, Frankfurt/Main. Responsible editor: C.E.P. Smith, Frankfurt/Main. © The Financial Times Ltd, 1984.

SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Tuesday April 10 1984

Sumitomo takeover of French Dunlop plants to go ahead

BY DAVID MARSH IN PARIS

SUMITOMO Rubber, the Japanese tyre group, will take over the lion's share of the French operations of the Dunlop rubber company to add to Dunlop's British and West German tyre interests which it agreed to buy last September.

The deal, finally approved yesterday by the French Government after several months of complex negotiations and last-minute wranglings with rival bidders, envisages cuts of around 1,800 people in Dunlop France's 5,600 workforce.

All but one small factory out of Dunlop's five French plants, which make a mixture of tyres, wheels, mattresses, car seats and other rubber products, will be kept open. In addition, Sumitomo has pledged FFr 300m ($37m) of fresh investment over three years to modernise production facilities, and has won the support of unions over the workforce cuts.

A last-minute counterbid for Dunlop was presented to the Government late last month in an effort by other European manufacturers to prevent Dunlop France from falling into Japanese hands.

The offer, put together by Michelin, Pirelli and the French bedding equipment and car seat maker Treca, was turned down by the Government, partly because it would have led to more workforce cuts.

Dunlop France filed for bankruptcy last October shortly after being cut adrift from the rest of the Dunlop group by Sumitomo's original desire to exclude it from the European takeovers.

This put the Government in some haste to find a buyer to prevent the group from folding altogether. One of the reasons for Sumitomo's renewed interest in Dunlop France in recent months has been its desire to acquire rights to the company's trade mark for the whole of Europe.

Marsh & McLennan hit by bond dealing loss

By Terry Dodsworth in New York

MARSH & McLennan of the U.S., the world's largest insurance broker, is to take a $60m extraordinary after-tax charge in the first quarter because of heavy losses in its bond dealing department.

The company said the anticipated losses had been accumulated by a bond trader "in violation of authorised trading limits." A preliminary examination had indicated that the trader had acted "unilaterally" and against strict Marsh & McLennan policies.

The company added that the charge would not materially affect its underlying financial health, but the shares, which finished at $40 on Friday, were suspended in early trading on the New York Stock Exchange.

Marsh & McLennan has reached a flat profits spell after rapid growth in the late 1970s. Net earnings last year were $119.8m, against $120.4m in 1982 and $120.1m the previous year.

ITALIAN STATE HOLDING COMPANY TO SLIM STRUCTURE

IRI plans heavy asset sell-off

BY ALAN FRIEDMAN IN MILAN

ITALY'S giant IRI state holding group yesterday announced plans to offer shares in 13 of its companies on the Milan bourse and to foreign investors.

Prof Romano Prodi, president of IRI, said in Milan that the group was "ready" to offer substantial shares in the companies and was discussing the timing of the privatisation with Consob, the Italian stockmarket authority. The 13 new issues could raise as much as L1,000bn ($617m) for the loss-making state group.

Among the companies are Aeritalia, the aerospace group which has held talks with Boeing of the U.S. regarding the possible joint production of a new aircraft to compete on the world market with the Airbus.

Also on the IRI list are Autostrade, the road construction company; ATI, Alitalia's domestic airline subsidiary; Elsag and Selenia, two electronics companies; G.S., a national supermarket chain; and Autogrill, Italy's motorway catering company.

Commenting on talks which IRI's Stet telecommunications group has been holding with IBM, Prof Prodi said that IBM was just one of several companies with which IRI was discussing possible joint ventures. Others included ITT, Rockwell and Hughes.

The IRI president said that there were no plans to allow a management role in "basic domestic services and telecommunications networks" for foreigners, but he would not rule out joint ventures with foreign companies in this field.

This comment appeared to suggest that IBM would be denied a direct managerial presence if it were to join forces with Stet and its domestic telephone company. IBM has been discussing the possible provision of data transmission services.

IRI yesterday released a number of financial results about its various companies, noting that its 1983 group loss came to L3,253bn against a 1982 loss of L2,670bn.

IRI's total debts, at L37,390bn are now almost equal to annual group turnover. Debt servicing alone last year cost L6,027bn.

Finsider, the IRI state steel concern, last year lost L2,133bn and Prof Prodi called for more cuts in the steel workforce. Finmeccanica, the engineering group which includes Alfa Romeo the car maker and Ansaldo the electrical engineering group, last year lost L513bn. Fincantieri, the shipbuilding company, lost L98bn and Finmare, the shipping business, lost L124.3bn. RAI, the state television network, lost L17.5bn.

Among the few profitable parts of IRI last year were Stet, which made L451.2bn, and Italstat, the civil engineering group, which made L24.4bn. Alitalia, recorded a L12.2bn profit.

Prof Prodi predicted that IRI would break into the black by 1986 and repeated his recent call for a L3,000bn government loan.

Returning to the question of privatisation the IRI president said: "We have a number of good little companies to sell shares in. I would stress that the need for state participation does not mean total state ownership of companies."

IRI had recently sold two of its smaller banks – Banca di Spilimbergo and Banca Generale di Credito – but Prof Prodi declined to say who the buyers were.

He made no comment about the IRI-controlled big three banks – Credito Italiano, Banca Commerciale Italiana and Banco di Roma. But Sig Romeo dall Chiesa, president of Banco di Roma, said that in line with the programme of gradually reducing IRI's majority ownership of the big banks it was possible that between 20 and 30 per cent of his bank would be privatised over the next two years.

Milwaukee Road bid battle re-ignites

By Terry Byland in New York

THE BIDDING war over Milwaukee Road, the railway that filed under federal bankruptcy laws in 1977, has flared after two rival bidders increased their terms just ahead of last Friday's deadline.

Soo Line Railroad, controlled by Canadian Pacific, and Chicago Northwestern Transportation claimed that their respective offers, which value the railway at more than $300m, were "clearly superior." A third suitor, Grand Trunk, controlled by Canadian National Railway System, made no substantial change in its terms.

Soo Line raised its terms to offer $168.5m cash, while Chicago Northwestern is now offering $140m in cash and guaranteed stock. Each bid allows retention by Chicago Milwaukee, 96 per cent owner of Milwaukee Road, of tax benefits.

The new bids leave some doubts over the $250m liabilities of Milwaukee Road which have been considered crucial to the bid negotiations. Chicago Northwestern's latest terms retain the intention to assume the full liabilities, while Soo Line's new bid only offers to assume "certain of the liabilities to be negotiated."

Chicago Northwestern's terms include 750,000 of its own common stock with a guaranteed value of $25.9m or $34.50 a share, with Milwaukee permitted to retain 60 per cent of any gain in the stock price above the guaranteed price.

The Milwaukee Railroad recovered successfully after filing under the federal bankruptcy laws. By slimming its network from a former 10,000-mile system to only 3,100 miles, selling assets and improving service, it turned a nine-year record of operating loss into an operating profit of $1.4m last year and hopes to lift that figure to $18m this year.

Alcan to open new potlines after water deal

By Robert Gibbens in Montreal

ALCAN ALUMINIUM will announce today the go-ahead on the first of two new potlines at Latterriere, 170 miles north of Quebec City, following agreement with the Quebec Government on water lease renewals.

Alcan plans two potlines with a capacity of 250,000 to 275,000 tonnes at a capital cost of around C$1bn (U.S.$781m). Half this new capacity will replace old potlines at Jonquiere, the world's largest primary aluminium plant, and half will be added to Alcan's total capacity in Canada.

The water lease agreement was needed to ensure that Alcan continues to have access to its own captive hydro power. The company has said it will go on expanding in Quebec as long as it has this captive power and will not seek any federal or provincial investment grants.

Essilor looks to U.S. as profits jump

By Our Financial Staff

ESSILOR, the French optics group, reports a strong rise in profits for 1983 and discloses plans for a manufacturing plant in the U.S.

The group, which is spending heavily on capital account, is to increase its equity base. Capital spending for 1984 is projected at FFr 200m ($25m), against FFr 129m last year and FFr 85m in 1982.

Essilor says net earnings rose 50 per cent to FFr 182m for 1983. Foreign earnings rose 55 per cent to FFr 117.4m, while earnings in France stood at FFr 64.6m, up 41 per cent from 1982.

Sales rose 25 per cent to FFr 2.4bn. More than half the total stemmed from foreign sales, which rose 42 per cent to FFr 1.4bn.

The company says no date has been fixed for opening a facility in the U.S. Revenue from the U.S. rose 23 per cent last year, helped by foreign exchange gains.

Merchant banking lifts BHF group's earnings

BY JOHN DAVIES IN FRANKFURT

BHF-BANK, the West German commercial bank, has expanded its international activities and built up merchant banking operations.

With earnings improving strongly last year, the bank is adding a DM 1.50 bonus to its unchanged dividend of DM 9 per DM 50 ($19.15) share.

After two years of relative stability, the parent bank expanded its balance sheet total by 15.7 per cent to DM 10.5bn last year, while the group's balance sheet total rose 9.5 per cent to DM 23.1bn.

The growth was largely due to operations abroad, including the opening of a branch in Tokyo, as well as favourable exchange rate factors.

At the same time, BHF-Bank's commission earnings rose 24.3 per cent to DM 99.1m, reflecting growth in services and merchant banking activities. These earnings reached nearly half the level of the bank's interest earnings, which showed only modest growth of 5.8 per cent to DM 207.4m.

The bank said that operating profits, including earnings from trading activities, were up 10 per cent on the previous year. After risk provisions, the parent bank showed a net surplus of DM 32.3m, up 32.9 per cent on 1982.

The volume of credit business increased by 10.7 per cent.

Sears finds buyer for Peru stores

By Doreen Gillespie in Lima

SEARS Roebuck, the leading U.S. retail group, has sold its four-store Peruvian subsidiary to a Colombian group. The sale, for an undisclosed amount, is subject to approval from Conite, the state entity supervising foreign investment in Peru.

The buyer is Sociedad Andina de los Grandes Almacenes Sears, a leading Sears retailer and licensee which has the right to continue to use the Sears name until the end of 1987. The company operates the former Sears subsidiary in Colombia and earlier this year also opened Sears stores in Guayaquil and Quito.

Swiss Forbo group plans fund raising

By John Wicks in Zurich

FORBO, the Swiss floor and wall-coverings manufacturer, is planning to increase its dividend and restructure its share capital.

Group earnings rose by 20 per cent in 1983 to SwFr 16.35m ($7.5m). Sales expressed in local currencies went up 8 per cent last year, but Swiss franc turnover dropped slightly from SwFr 552m to SwFr 542m because of exchange rate movements.

The board proposes increased dividends of SwFr 56 per A share and SwFr 224 per B share, against *SwFr 52.50 and SwFr 210* a year ago.

Switzerland General Insurance, a Zurich-based affiliate of Swiss Reinsurance, is to increase its dividend from SwFr 20 to SwFr 30 following a sharp increase in net profits last year from SwFr 2.7m ($1.2m) to SwFr 5.2m.

Gross premium income rose by 11.3 per cent in 1983 to SwFr 532.2, with what the company says was a marked improvement in its technical results. Owing to the unfavourable market conditions, Switzerland General refrained from developing its reinsurance activities.

The company is to recommend an increase in share capital from SwFr 18.75m to SwFr 25m.

Japanese trust banks in plea on U.S. competition

BY ROBERT COTTRELL IN TOKYO

JAPAN'S trust banks, which share with life insurance companies a near-monopoly of the country's pension fund market, are this week expected to renew pressure on the Government not to authorise competition from U.S. banks.

Four U.S. banks have proposed joint ventures with Japanese securities houses to handle trust business. The link-ups would be between Nomura Securities and Morgan Guaranty Trust; Daiwa Securities and Citibank; Yamaichi Securities and Chemical Bank; and Nikko Securities and BankAmerica Corporation.

The entry of U.S. banks into the Japanese trust market is one of the major liberalisations of Japan's financial sector, which U.S. government officials have been urging and is expected to be on the agenda of the third round of Japan-U.S. ad-hoc talks on yen-dollar issues, scheduled for April 16-17.

However, Japanese Ministry of Finance officials are likely to resist any rapid change, in favour of further study.

Support for a no-change policy is likely to be expressed at a general meeting of the Trust Company Association of Japan, scheduled for Thursday this week. The trust companies are worried that the entry of U.S. banks into their market might also open the way for other Japanese banks to compete for pension fund business. The Japanese banking system has traditionally segmented the types of business authorised to various categories of bank. Japanese pension funds probably total some US$50bn, 12 times their level of 10 years ago.

Galadari Bros loan agreement

DUBAI—A GROUP of international banks led by Citibank has signed a loan consolidation agreement with Abdul Rahim E. Galadari and Brothers, a large business house controlled by two brothers in the United Arab Emirates, for the equivalent of almost 250m dirhams (U.S.$68m).

The agreement will cover two five-year loans, one of 175m dirhams and another of $20m extended by a group of seven banks, led by Citibank and including Credit Suisse, Lloyds Bank International, Royal Bank of Canada, Chase Manhattan, American Express, and Gulf International Bank. Bankers close to the restructuring have declined to disclose the rates offered on the loans.

The credits are intended to consolidate debts owed by the company, the majority of which are related to the construction of the Intercontinental Hotel and the Plaza shopping and apartment complex in Dubai. The original financing, much of which was extended into second and third mortgages as Galadari and Brothers expanded its business empire, led the company to borrow heavily from Dubai Bank.

By spreading the debt among the international banks, the company will pay off its Dubai Bank loans and help that bank come into compliance with a 1982 central bank decree which limits domestic banks' exposure to individual board members to 5 per cent of paid-up capital.

The restructuring does not involve a third Galadari brother, Abdel-Wahab, who is believed to have built up debts of more than $220m to Union Bank of the Middle East.

Agencies

Yen-swaps to be further liberalised

By Yoko Shibata in Tokyo

JAPAN'S Ministry of Finance (MoF) is expected to give foreign banks in Japan greater leeway in making yen-swap agreements, under which the banks bring foreign currency into Japan for conversion into yen. At the same time the Ministry is to lift its ban on the intake of Euroyen short-term impact loans (loans to Japanese corporations which have been confined to foreign currency) as early as this summer.

The moves are designed to give foreign banks free access to overseas fund procurement as well to help Japanese corporations to diversify their fund-raising activities.

The ken-swap limit has been in place since 1968. Foreign banks in Japan have been at a great disadvantage to Japanese banks in funding, because they lack a competitively priced source of yen funds due to their dependence upon the expensive discount and inter-bank markets. In view of the difficulties of foreign banks in finding economical sources of yen, the limit of yen-swaps by foreign banks was raised to 75 per cent of the bank's yen portfolio last December.

However, at the U.S.-Japan ad-hoc talks on the yen-dollar issues held in late February and March, the U.S. asked Japan for total abolition of the yen-swap limit.

Japan will convey its decision on the matter to the U.S. at the third ad-hoc meeting to be held in Washington on April 16-17.

At the same time, the MOF will liberalise Euroyen-denominated lending with maturities less than one year to Japanese corporations (impact loans). Under current rules anly dollar-denominated medium-loans have been allowed. The Ministry's decision stems from the belief that the intake of Euroyen impact loans would have little effect on the foreign exchange market, unlike dollar impact loans.

Impact loans used to be a monopoly for foreign banks until 1980 when Japan's foreign exchange laws were revised. The liberalisation of foreign exchange, however, brought more competition for foreign banks, and deprived them of their main business in Japan.

The proposed measures are expected to encourage competition between Japanese banks and foreign banks to extend impact loans to Japanese corporations.

Australia plans lifting of deposit term restrictions

BY LACHLAN DRUMMOND IN SYDNEY

THE AUSTRALIAN Cabinet has approved proposals from Mr Paul Keating, the Treasurer, to lift restrictions on deposit terms for banks and to extend the number of foreign exchange dealers.

The proposals face a full meeting of the Caucus (Parliamentary Labor Party) next week and details of timing for the measures remain unclear. However deposit restrictions, which have prevented trading banks from accepting amounts for fewer than 14 days, will be phased out over the financial year beginning on July 1.

The Reserve Bank of Australia, the central bank, will advise the government on how best to introduce the new regime with minimal unsettling effects on the non-bank financial institutions, particularly the merchant banks which look to the short-term markets for their funding base.

The timing of the opening-up of foreign exchange trading has also yet to be decided, although the replacement of existing licensing by a mixture of prudential controls remains. These requirements are to be studied by a sub-committee of the Caucus Economic Committee.

● The Australian Government is "firmly committed" to a new resources rent tax (RRT) on oil production, but details of the new tax will not be revealed until next week, Mr Peter Walsh, Resources and Energy Minister said yesterday.

According to Mr Walsh the proposal to replace current State and Federal levies on production with a federal tax on profits, will not be a deterrent to oil exploration, AP-DJ reports from Hobart.

Any increase in taxes arising from RRT would most likely be offset by a government subsidy as part of the package, he added. However, if the industry is opposed to a subsidy, the Government would consider a lower tax rate or a higher threshold for the new tax.

The Minister said he is still confident the new tax will be imposed beginning July 1 on offshore oil.

NZ South British in bid for Capital Life

BY DAI HAYWARD IN WELLINGTON

THE New Zealand based international group, N.Z. South British has made a NZ$4m (U.S.$2.64m) bid to take over Capital Life Assurance of which it already owns 10.7 per cent.

Its offer of 350 cents a share is 100 cents higher than the last stock exchange selling price of 250 cents for Capital Life shares, and the directors of Capital Life recommend acceptance.

NZSB's offer puts a value on Capital Life of NZ$4.3m. It has 1.25m ordinary shares and last year announced a profit of NZ$303,329 against NZ$189,238 in the previous year.

A group of Auckland businessmen bought a 39 per cent stake in Capital Life from Fletcher Challenge last year. They were led by Mr P. J. Crellin, who will stay on as managing director if the South British bid is successful. When Mr Crellin's group bought their block of shares from Fletchers, the market value was 100 cents a share.

South British and Capital Life had an earlier association through the credit card company, Diners Club, which is 81 per cent owned by South British. Capital Life has been involved in several special policy offers to Diners Club members.

Growth for Abu Dhabi Investment Company

By Angela Dixon in Abu Dhabi

TWO ABU DHABI-based financial institutions have reported their 1983 results—the Abu Dhabi Investment Company and the UAE Industrial Bank, a federal body.

ADIC announced profits of U.S.$7.65m for 1983, compared with U.S.$3.5m in 1982, and year-end balance sheet footings of U.S.$947.6m against U.S.$824m. The company's major loan syndication in 1983 was the U.S.$500m Adgas loan, in which ADIC participated as one of seven lead managers. The company said it is moving outwards towards other Gulf countries for its market, although 36 per cent of its loans activity in 1983 was within the UAE.

The company has also recorded continued growth in the current year. By the end of March 1984, assets and liabilities were up to U.S.$1bn.

The UAE Industrial Bank began operations in October 1982. It exists to foster local non-oil industry and lends at around 4 per cent to projects judged feasible.

It has an authorised share capital of U.S.$136m, a paid-up capital of U.S.$54.4m, and assets and liabilities at end-1983, its first full year of operations, of U.S.$141m. Profits for 1983 were U.S.$11.7m.

FINANCIAL TIMES SURVEY

Tuesday April 10 1984

Refurbishing

Developers forced to rethink by Budget measures

REFURBISHMENT is highly topical. This year it received the attention of Britain's Chancellor, Mr Nigel Lawson, in the Budget; it was the theme of this month's International Council of Shopping Centres (ICSC) 9th annual European conference in West Berlin; and, today, there is a major whole-day conference on the subject*, coupled with the two-day Building Refurbishment Exhibition in London's West End.

Reactions to the Chancellor's Budget imposition of value-added tax on building alterations have been many and varied and, of course, a Finance Bill *can* be altered in the committee stages.

By WILLIAM COCHRANE

The exact effects are, therefore, still difficult to assess but as an accompanying article on this page makes clear, the variables are considerable. There are, however, a couple of ways of looking, hypothetically, at what could happen.

Last year, examples of refurbishment costs averaging around £50 a sq ft were being quoted for this survey by quantity surveyors E. C. Harris and Partners. The figures are not likely to have changed much, yet.

What could happen, one supposes, is that VAT could be levied at 15 per cent on those costs, raising them to £57.50. Putting this into perspective, in the City of London a refurbishment could lift rents to about £30 a foot, valuing the property at £600 a foot of which the VAT element would be 1¼ per cent.

Where refurbishment is only contemplated, the developer will have a choice to make, and may delay that choice until the situation is clear cut. Stockbrokers Scrimgeour, Kemp-Gee observed in mid-March that the progressive reduction of capital allowances on plant and machinery might impinge further on the financial viability of some refurbishment schemes, especially offices where some 33 per cent of the rebuilding cost is comprised of expenditure on air-conditioning, new lifts, and so on.

But, in a situation where refurbishment is the only practical option—listed buildings, existing site densities which preclude new build—then the developer will simply have to pay less for the old building, or lower the residual value if he already owns it.

The ICSC took refurbishment as a theme for West Berlin this year after the concept was raised, and dominated much of the conversation at last year's conference at Monte Carlo.

As the council puts it: "There are many (shopping) centres which fail to meet today's requirements of the retailer or shopper. Their failure is due to out-dated design or layout, or the evolvement and change in the catchment area. In consequence, much has to be done to safeguard their attractiveness as a shopping environment, as well as their real growth in terms of rental and capital values."

The emergence of shopping centres as a prospect has made refurbishment an altogether brighter subject. An architect is not going to get an adequate showcase for his exterior designing skills out of a listed office building, or facade. But there is space to show off both outdoors and indoors in a shopping centre, as well as a good reason for it: an attractive venue can attract and hold the shopper.

In the industrial and warehouse sectors, developers have latched on to the idea that refurbishment of "Satanic mills" does not need to leave them with a more saintly variety of the same. Old industrial property is turning into a collection of industrial start-up projects, or craft studios, boutiques, residential flats, even old peoples' homes.

In this connection the UK Government is actually getting some credit. Its urban development grants scheme, acts as a pump primer, by making a contribution to the developers' costs in marginal cases.

Today's refurbishment conference will open its afternoon session on another topical matter. Ian Hurlstone of Hunter & Partners will give an architect's view of the dilemma between planning philosophies and constraints on historic and listed building work, and the influence of the institutions and funding criteria.

Earlier this year, following publication of a critical report on modern architecture in the City of London, conservationists, architects and developers joined battle with each other in the argument between new build—operationally efficient for some, hideous for others—and preservation of existing structures.

Mr Hurlstone's paper aims to explore planning policies and the commercial factors influencing the refurbishment of historic and listed buildings, such as floor loadings and floor areas, and the part played by agency advice in the formulation of proposals.

His comments on planning in London will be interesting. John Badham, a partner in architects Fitzroy Robinson, has one of his own: "The problem with conservation in the City of London," he says, "is that it's 20 years too late."

Another architect, Jeremy Mackay-Lewis of the Whinney Mackay-Lewis Partnership, comments on the seeming hotchpotch: "In Nash's time the facade was the main thing and what happened behind did not matter. A client would buy the façade from Nash and a local builder would extrapolate behind."

"It was all on a grand scale," he says, "part of the total life style of people at the time. It was a public image. Now it is an individual image with each building shouting for its own acclaim on the street scene."

** At the Royal Institute of British Architects, 66 Portland Place, London W.1. Other events in the 3rd Building Industry Convention this week will take place at the Cavendish Conference Centre and the Regent Crest Hotel.*

● A LONDON landmark: Michael Laurie's refurbishment of the former Swan and Edgar department store at Piccadilly Circus for the Dutch company, Resource Development, could be an exciting example of what can be done with a good building which has fallen out of fashion. **Full details on Page IV.**

IN THIS SURVEY

Despite VAT changes, the sector should soon recover

By MARK FENTON

THE CHANCELLOR of the Exchequer's announcement in his 1984 Budget statement that from June 1 1984 all building alteration work will be subject to VAT at the standard rate is bound to affect the refurbishment sector of the construction industry.

Until now, demolition and the alteration and reconstruction elements of a refurbishment have, generally, been zero-rated. Indeed, where the extent of works fell within the definition of substantial reconstruction, the whole of the works could qualify for zero-rating.

From June 1 1984, however, all work done to any existing building will be standard rated.

This should not amount to a blanket additional on-cost as other budget changes such as the reduction in stamp duty and corporation tax changes may well have some alleviating effect. Each case will have to be separately examined according to its specific circumstances.

Where no town planning restrictions such as listed buildings, conservation area, or non conforming user, are involved, however, the decision to alter, refurbish or totally rebuild, is often made substantially on a viability study. The change in VAT legislation could well alter the decision in such cases.

It is too early to forecast the overall effect, but it is quite probable that, as with previous other cost increases, there will be an initial slowdown in this specialised field followed by a gradual return to normal as the situation becomes generally accepted.

Nevertheless, even though, as a result of the VAT changes, refurbished buildings may not be directly competitive with new buildings on a rental basis, refurbishment is a significant part of the construction industry. Given a little time to adjust, it should recover.

Mark Fenton is a partner in Newman Levinson & Partners, architects and town planning consultants.

REFURBISHING II

Here and on the following three pages, William Cochrane highlights new developments in key areas of the refurbishment sector

Important considerations in high-cost projects

THERE IS simple — and simplistic — arithmetic. Applying the latter to office refurbishment would suggest that, if a given City of London rent could be bumped up from £18 to £30 a sq ft by making new buildings out of old, a developer could get away with spending nearly £200 a square foot on doing the job. An extra £12 of rent, in the City, is worth between £200 and £250 in capital investment terms.

Following on from that, prestige West End jobs would rate less, and provincial centres less still, while unattractive locations among those centres, nothing at all.

This argument is true, to a point. But property professionals argue that it is "a cockeyed way of looking at things." Mr David Gaunt, of building surveyors Hunter & Partners, accepts that spending £100 a sq ft in Kensington or Chiswick is "crazy—but it has been done."

In general, however, he says that investor/developers know their market, start from the finished product, and work backwards.

"They will start with the market, the demand, what the customer will pay," he says. "Then they will work backwards, finding out how much it will cost to produce the right product; after that, either the equation works, or it does not."

Office renovations in London's West End

Even then, they may have to be extremely patient. Land Securities' refurbishment of Devonshire House on top of Piccadilly's Green Park underground station, in London's West End, has been on the market via letting agents D. E. and J. Levy since the late summer of 1982 — first, at around £25 a sq ft for the 150,000 sq ft of space and, since last September, at an average of £22.50.

It is an excellent building, in a top location. Third party estimates of building costs came out close to £100 a foot and additional costs, if parallel developments are any guide, must have been quite substantial. However, according to Land Securities' Mr Ian Henderson, the possibility of an extended void in the slow West End market was built into the investment arithmetic, which still comes out comfortably in the black.

Attraction

Meanwhile, the Prudential Assurance project at 22, Hanover Square, London, also reckoned to be one of the best buildings on the West End letting market, is believed to be attracting tenants at the time of writing.

The 90,000 sq ft building was unveiled just after completion of its refurbishment last December, when the building costs were said to be £9m, or £100 a sq ft.

Mr Michael Capocci, a principal surveyor with the "Pru," points out that building costs do not take account of voids, loss of interest on the capital investment involved and professional fees such as those to the architects, Ronald Ward and Partners, and letting agents Jones Lang Wooton.

Mr Capocci reckons the all-in cost of the project is in the region of £13m — not far short of £150 a foot. However, he extends Mr Gaunt's equation where West End property is concerned.

First, he says, the individual characteristics of the West End market are going to lead to higher costs. It is still classed as residential, planning permission is hard to obtain, time and money are spent in obtaining it. The developer can be pilloried by commercial neighbours for working in normal hours, or residential neighbours for noise and disturbance at abnormal times.

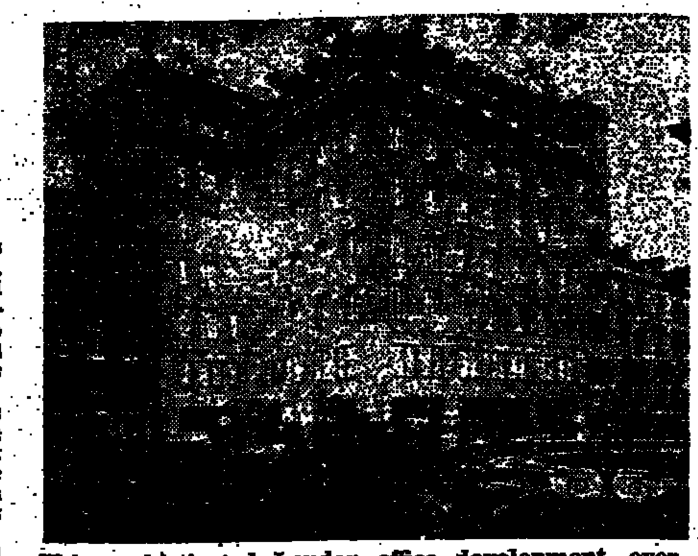
He has also to build to a higher specification "we could build to lower specification for £2 to £3 less on the rent," says Mr Capocci, "but that would still leave us high in relation to our direct competitors in outer London and the provinces."

However, starting redevelopment puts the building into a different rental category.

"The rental value of an old building is more or less fixed," he says. "It probably hasn't changed since mid-1981."

But rents for new or refurbished prime have been rising slightly and, hopefully, will have gone up more before the building is fully let.

A landlord or, worse, the owner of a void building has to consider the alternatives. A building with no rental growth—and no guarantee of continued occupancy—is going to reduce in value. So something has to be done and that something has to produce a viable product.



This sophisticated London office development, overlooking one of Mayfair's best-known garden squares, is the result of a £9m refurbishment scheme by Prudential Assurance—Britain's biggest insurance group

Mr Capocci takes the hypothetical case of a building which could be valued at £1m, when let, after refurbishment. "If the cost of upgrading is £200,000," he says, "the residual value of the present building is £800,000. If the market is poor and the estimated cost of getting it let is £250,000, then the residual value is £750,000."

Taking the argument a stage further, property professionals have been talking about the imposition of Value Added Tax on alterations. Applying the worst possible interpretation of the change to Mr Capocci's sums, VAT would add either £30,000 or £37,500 to refurbishment costs.

Clearly, now, this does not mean that the rent to be charged is going to be three or four per cent higher; not if the achievable rent, which is the starting point, is the optimum.

Theoretically, at least, it means that owners of a building which needs upgrading will have to reduce its residual valuation; or that developers in the market for refurbishment prospects will be bidding that much less to buy them.

Marriage of old and new

ALL REFURBISHMENT is a marriage of old and new. Redevelopment behind an existing facade usually means old packaging for new space, but there is more than that involved at Phoenix House, 4-5 King William Street in the City of London.

The development team includes, as architects, the Fitzroy Robinson Partnership, agents Richard Ellis, Edmonson and Johnson as quantity surveyors, and builders Trollope and Colls.

More than ten years ago the plan was demolition and complete redevelopment, but the conservationists have made their mark since then.

"The compromise on the facade," says Mike Warner of Ellis, "is not optimising the plot, or the building."

The 81,000 square feet development, due for completion in the autumn of 1986, is going to cost around £100 a square foot. "A new building could cost 10 to 20 per cent less for the right standard of building, and would be easier to let at a rent £2 a square foot higher," says Mr Warner.

As is, the scheme retains the facade and depth of building on the King William Street frontage, the whole elevation to Abchurch Lane except for vehicular access and half the length of the ground floor facade to Sherborne Lane.

Transformation in the City of London

The upper floors above the retained ground floor wall are to be rebuilt with a new stone elevation with classical decoration. The proposed elevation to the remainder of Sherborne Lane and to Abchurch Yard will be modern.

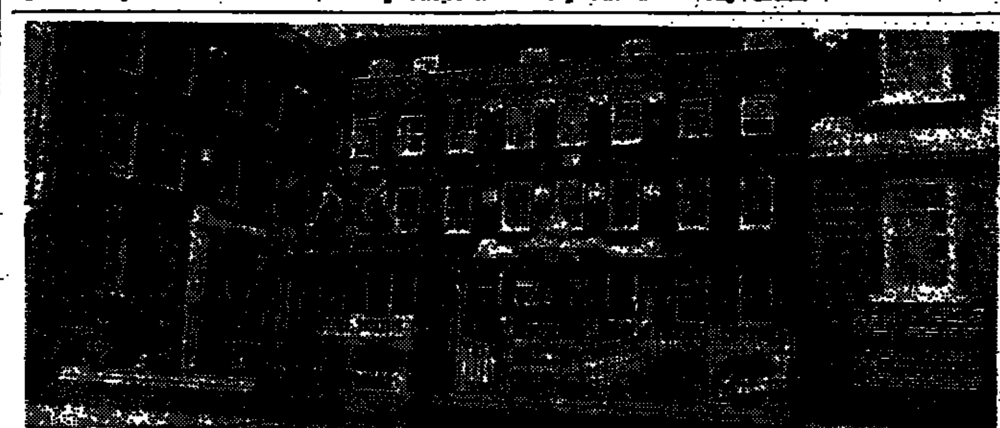
So the Sherborne Lane facade starts with the original, goes on to new construction in the old style, and finishes with modern—"trying to marry up the old and the new," as John Badham of Fitzroy Robinson puts it.

It is not only the facade which is listed, says Mr Badham—"there are preserved rooms at ground, first and second floor level and a massive marble entrance hall with columns, a gallery all round the first floor and a dome on second floor level—a sort of enclosed atrium."

"Preserving bits of the inside is a new thing for the planners," he adds, "but these do help to prop it up." As Mike Warner says: "You can spend a vast amount of money in holding up an unsupported facade."

Quantity surveyor Ian Johnson, seeing some difficulty in forecasting how the contractor would see the job, went for two-stage tendering: six or seven contractors at stage one, based on bills of approximate quantities; and two at the second stage, still on approximate (but more accurate) quantities.

"It was necessary to do this," he says, "to get the input of a contractor at an early stage and a competitive contractor in the end." In the end, demolition and restraining the retained parts were no problem.



● THE College of Arms, in Queen Victoria Street in the City of London, was extensively refurbished by Ashby and Horner in time for the College's quincentenary this year.

The present building, which is largely original, was erected in stages on four sides of a courtyard which was formerly the site of Derby House, destroyed in the Great Fire. Two master bricklayers, Morris and William Emmett, were responsible for the designs, which took from 1670 to 1688 to complete.

Strong demand in Aberdeen

IN THE City of London, period refurbishments are let at a discount to new, operationally efficient space. In Aberdeen, the roles are reversed and office refurbishments in the city's prestigious West End business district can command a hefty premium over new buildings.

Location, planning, supply and demand are all factors in this equation, which is founded in the structure of the local economy.

Mr Michael Corr, who heads the Drivers Jonas team in the city, maintains that it is the production of oil which generates employment: "You can explore with very few people; you can develop fields with a large staff which does not have to be based in Aberdeen; but to produce there is a need for a large number of offshore installations which, in turn means that there are onshore staff to be housed, plus the need for maintenance facilities and other services."

The oil companies' expenditure produces a multiplier effect on the local economy as staff spend their money in shops. There is also an increase in the type of business which uses small offices—"all this is the key to the Aberdeen property market's growth at the moment," says Mr Corr.

"Refurbishment is where we see all of the office rental expansion at this time," he says. "Solicitors, travel agents, office equipment suppliers, accountants and management consultants are all looking for 5,000 sq ft and downwards. The West End, with Albyn Place its focal point, is the only real area where you can find buildings of that size and of any real quality."

Renewal in the regions: Aberdeen

The situation, as he explains it, is a combination of strong demand and very constrained supply. The local authority has a well-defined area outside which it does not want to see more office development. Within that area, development is virtually all constrained to the refurbishment route.

The West End cachet does matter. The Dutch construction and property group Bredero, shortly expected to get the final go-ahead for its George Street shopping centre, just to the north of the Union Street prime shopping pitch, has its local (refurbished) office in Bon Accord Street, off Union Street to the south. Mr Sandy Cook, the Bredero director based in Aberdeen, notes that his rent has just been revised up to £4.50 a square foot.

Meanwhile, Michael Corr is claiming a standard £8 to £8.50 a square foot for the West End and up to £9 a foot in exceptional cases. Out of the West End, a lot of space, mostly in bigger blocks of between 30,000 and 80,000 square feet, is chasing relatively few tenants. Refurbishments here, where rents are between £6.50 and £7.25, if achieved at all, are not having such an easy ride.

In parallel with the City of London, the development market in Aberdeen is highly competitive. However, the costs of the refurbishment process are not so high.

Looking at 5 and 6 Queen's Terrace, where his firm is acting with Conrad Ritblat for the Cannon Assurance Property Fund, Michael Corr reckons that refurbishment costs of £25 a square foot, compared with the £40 to £50 level quoted for London in the Financial Times last year and the £100 a foot seen in some prestige jobs lately, allows both developer and agent to be phlegmatic.

It can take up to six months to let a typical West End building in Aberdeen, says Mr Corr—"If you let it on day one," he adds, "that's a bonus."

REFURBISHING III

City-centre transformations

New ways to make better use of problem office buildings

BRITAIN'S CITY centres are littered with examples of "classic" late 1950s office buildings: faded blue curtain walling which lets the rain in, square angles and, frequently, high rise elevations which meant a lot of unlettable "core" space.

The floor-to-floor heights of these buildings, and slightly later examples, are often too low to allow for the introduction of suspended ceilings—to cope with trunking for air-conditioning, heating and services—or for raised floors for computer and communications cabling.

But these buildings have to be considered one by one and, for some of them at least, much can be done to make them more efficient and attractive workplaces.

At the end of 1981, insurance brokers Stewart Wrightson brought in Sunley Holdings to refurbish Fountain House at the heart of the City of London's insurance market, in Fenchurch Street. Constructed in 1958, the building has net lettable space on 14 floors of approximately 100,000 sq ft.

Owned by the Clothworkers' Company, the building was held by Stewart Wrightson on a head lease expiring in 2052 at a fixed rent, and was originally occupied by members of the group. Sunley had an unspecified interest in the building by agreeing to fund the refurbishment cost, originally estimated at £6.5m.

Specific problems at the end of the 1970s are described by Edward Erdman, appointed as managers of the building and project managers for the refurbishment.

On sub-leases: "A lot of the occupational leases were internal repairing only," says Mr Clive Rose of Erdman. "At one point there was a complete gap in repairing covenants in relation to the structure of the building."

On the original curtain walling: "The frames were in mill-finished aluminium which forms its own corrosion; faded blue panels, clear glass with an appalling clutter behind it; designed to let the water out because they couldn't stop it getting in."

In addition, the lifts had become increasingly unreliable, heating and electrical services in general were reaching the end of their useful lives and the entrance hall, lifts, lobbies and toilets had all acquired a down-at-heel appearance.

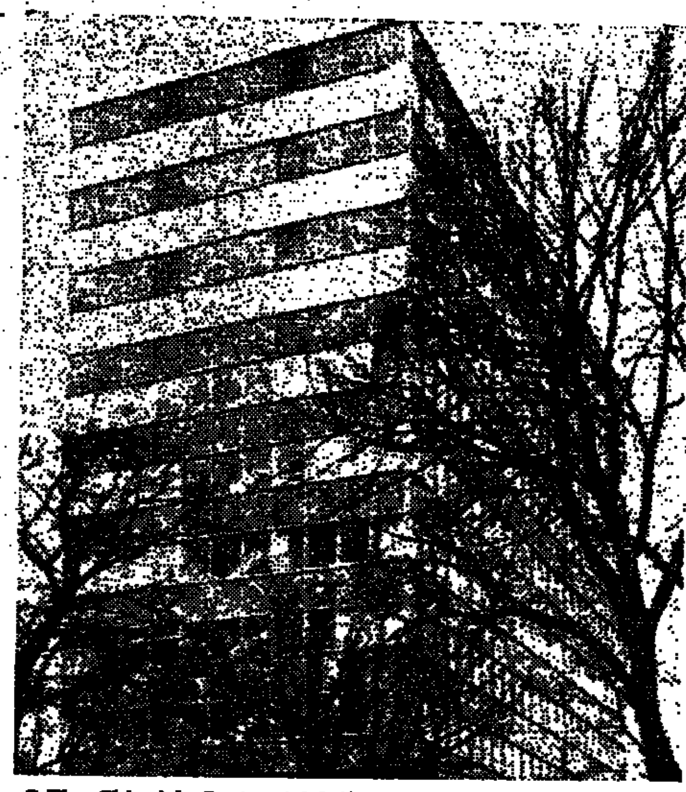
Subsequently, most tenants agreed to switch from internal to full repairing liability. The refurbishment scheme, carried out while more than 30 separate tenants employing some 400 people remained in operation, encompassed:

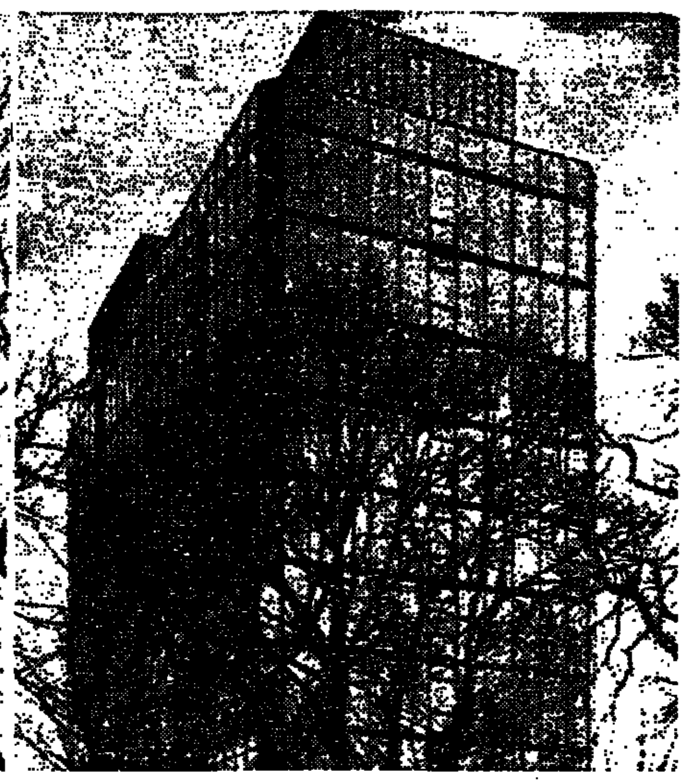
- Replacement of the entire curtain walling.
- Provision for the future installation of air conditioning.
- Replacement of the boilers and all heating, water, plumbing and drainage.
- High speed lift replacements.
- Upgrading of electrical services.
- Improved fire prevention and emergency lighting systems.
- Reconstruction of the toilet accommodation (which released 1,500 sq ft of net lettable floor space.
- Full scale external repairs, cleaning and repainting.

All of the works were carried out with the building fully occupied; consequently, there were no temporary relocations and no rent reductions. Curtain wall replacement was carried out in occupied offices by erecting translucent screens one metre inside the external wall. Approximately 1,700 composite frames were replaced.

Mr Brian Fookes of the Thomas Saunders Partnership, architects to the project, comments: "The entrance foyer was very busy; tenants were mostly in the insurance business and constantly going to and from the market (Lloyd's); we carried out the work while managing to maintain the traffic routes."

Since completion of refurbishment Erdward Erman, acting for the owners, have let four suits totalling 15,750 sq ft, the most recent of which was to an old established firm of Lloyd's underwriting agents who are paying £30 per square foot. This compares with rents of between £18 and £19 per square foot achieved prior to the refurbishment.





● The Chiswick Centre (right), formerly known as Empire House, shows how the developer, Clerical Medical and General Life Assurance Society, was able to change the profile and essential character of a "classic" post-war office building (left)—and, in the process, to exchange a multiplicity of tenants for the impeccable covenant of IBM.

Bovis and the Towco Group, which recently formed a joint operating company, Retrofit, to concentrate on the construction and building services elements of fast track projects, were involved in the Chiswick Centre programme from its inception by the client's surveyors, Richard Ellis.

Combining old-time elegance with today's office needs

Refurbishment of historic buildings

IT IS sometimes questionable whether historic refurbishments can justify the money spent on them. However, a number of developers have combined elegance, utility and space in a rural setting by taking listed buildings in extensive grounds, and adding a large chunk of modern offices.

Sherfield Investments has recently sold Dogmersfield Park, off the M3 near Odiham in Hampshire, to the Californian computer company Amdahl for £6m. Joint agents for Sherfield were Charles Price Rantor and Co and Lane Fox and Partners.

The scheme comprises 81,000 sq ft of net lettable area (net, also, of 5,350 sq ft of basement space) in a 23-acre park. The original mansion and stable complex add up to just over a quarter of the space.

Royal London Mutual, a pioneering institutional developer in its own, quiet way, took on the Lutyens-designed Daneshill House at Chineham, near Basingstoke and achieved over 35,000 sq ft of new, modern space for the refurbishment of 5,800 sq ft.

Meanwhile, at Harefield, near Rickmansworth on the north west borders of London, Debenham Tewson and Chinnocks is project managing a similar job on Harefield Grove which it acquired in 1983, for Initial Services, for owner occupation.

Planners and architects are Graham Moss Associates, and the building contract has been let to Wiltshiers. Mr Graham Moss himself sets out some of the problems, and solutions.

"Time was of the essence," he says. "Michael Walker of Initial put money up for the preparation of all the details, including 250 detailed technical drawings; normally the client would not get to that stage before planning permission was granted."

"We did everything at once: design, detailed planning, detailed contract documentation and the selection of the building contractor were all done between March 1983 (when Moss were appointed) and March 1984."

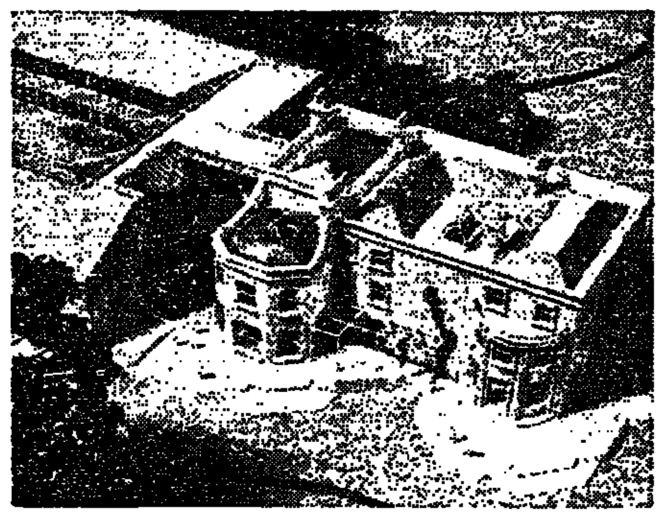
The site, 18 acres in total, has lain dirlelict for 20 years; now, some £250,000, over three years, is being spent on landscaping it.

"We were criss-crossed with all the planning restraints imaginable on landscaping," says Mr Moss. "The site was green belt; designated as outstanding landscape; it had a tree preservation order covering the whole site; and a Section 52 (Town and Country Planning Act 1971) public access agreement covering approximately two-thirds of the grounds for three days in any one calendar year."

Essentially, Moss are taking an ugly Victorian building, remaking the elevations to create a good Grade II listed building and 10,000 sq ft of net, uneconomic space which will be the directors' building.

Debenham Tewson had to make the project work as an investment. It bought where it did, and when, in view of the scheduled completion of London's M25 orbital motorway nine months to a year after completion at Harefield Grove.

"When the M25 is complete," says Mr Robert Peto of Debenham Tewson, "Initial will have a very handsome paper profit." Operational quality comes in with the 20,000 sq ft of new offices. Mr Peto thinks that the 2:1 ratio of new to old space is "as near perfect as it can be."



● New look for a Victorian building: a model to show how old and new space are combined at Harefield Grove, near Rickmansworth on the north-west borders of London.

A surge of new hotel projects

£3.4m facelift for the London Hilton

TROLLOPE & Colls (City) is most readily associated with prestige City of London refurbishments such as the Royal Exchange. But, says director Mr Patrick Trollope: "We have been involved in hotels for a good many years."

Its latest effort in that area, announced this January, is the £3.4m facelift at the London Hilton on Park Lane.

"There has been a tremendous upsurge in the upgrading of hotels," says Mr Trollope. Overseas money has been pouring into the sector, and whether an hotel is a takeover prospect or not, it still has to face up to impending competition.

On the ground floor of the Hilton, the front lobby will be stripped out and modernised to incorporate a new reception area and lobby lounge in the front lobby, and three shops in the arcade. A circular staircase, weighing 34 tons when finished, will lead to the new British Harvest Restaurant on the first floor to replace the old Patio Restaurant.

Above, from the fifth to 21st floors, all the bedrooms will be fitted with new air conditioning units with specially made joinery casings and the suites from the 22nd to 27th floors will undergo varying degrees of modernisation. One level will be converted into a reception area to be known at the Vista Executive Lounge, for exclusive use by residents of the top four floors.

Mr Mick Rooney, contract manager at the Hilton for T and C (City), reckons that this contract has posed more difficult problems than the Royal Exchange job. The company is cheerfully coping with major engineering problems on the lower floors, but some really niggling and time-consuming difficulties are being tackled in the bedrooms up above.

The lobby has to be ready by Easter, the lobby lounge by June 16 and the British Harvest Restaurant opens on June 24. T and C will take a break then to allow the hotel peak occupancy rates in peak season, going back to finish some of the upper floors (the 12th to 21st) between next November and January.

"The contract," says Mr Trollope, "could eventually come to more than £3.4m. And because it is being done in stages, Hilton may decide to do more in the end."

Another construction company in a big-name hotel project is Kyle Stewart, which is a year from completion of a £7½m contract involving the alteration, strengthening, reconstruction and refurbishment of one wing of the Savoy Hotel to form 50,000 sq ft of office space and 13 luxury flats for London & Leeds Investments, the property arm of the Ladbroke Group.

Other members of the development team include the Fitroy Robinson Partnership, architects; quantity surveyors M. K. Boyden & Company, and consulting engineers Ove Arup & Partners.

The building is of 12 storeys, nine above pavement level and three at basement levels. A site investigation revealed that the steeel frame at the seventh and eighth floors had severely deteriorated due to weather ingress. A new steel mansard with concrete plank infill was constructed for these two levels.

There is another mixed development against which access problems are a common complaint. However, separate entrance halls were designed by David Hicks to provide access to the offices and the flats both served by their own lifts.

● The London Hilton—big changes under way.

Interest rises in retail sector

Shopping centre modernisation

SHOPPING CENTRE refurbishment on a grand scale has been much talked about in this country over the past year. Charismatic names like Conran (in partnership with Michael Laurie) have staked their claim to a slice of the business, all sorts of people are offering advice on it but not much, yet, has been seen to be done.

However, Hillier Parker have made an audio visual on the subject. They are involved in the planned major refurbishment of the Butts Centre at Reading for the Kleinwort Benson Property Fund; and Harold Couch, who heads HP's retail team, was able to illustrate the economic benefits of shopping centre refurbishment for the purposes of this study with an hypothetical case.

Leonard S. Jarrad, senior partner of Hillier Parker May and Rowden, who chaired this year's annual European conference of the International Council of Shopping Centres in West Berlin earlier this month

A typical case for treatment could be:

● declining in popularity with both retailers and shoppers;
● losing retailers and shopping public to more modern competition nearby;
● "tired, dull, unattractive, out of date and lacking in the style expected by the shopper of the 1980s";
● short on management and promotion; and/or
● under threat from competition and rising standards.

Mr Couch and his colleague, Peter Reddick, refute the cynical view that the rise of the refurb could have something to do with the lack of opportunities for new build. "The catalytic effect of new centres — Peterborough, Epsom, Cambridge — make people look harder at the two older ones," says Mr Couch.

Peter Reddick sees a shopping public looking for the opportunity to shop "without stress and boredom."

Whatever type of property is being refurbished, one is hearing more and more the argument that the investor may be just as keen to avoid losing money—through voids, lower rental rolls, lower quality of remaining tenants, lower valuation bases—as to increase the value of his investment.

The hypothetical case avoids the whys and wherefores. Mr Couch starts with an existing rent roll of £1.25m, valued on a 6¼ per cent yield basis, or 16 years' purchase (yp), at £20m. It might cost £5m to "refurbish" this property.

Refurbishment, in this analysis, might include extension and re-shaping to get more space as well as "putting a lid on it"—covering what was uncovered before—re-examining the entrances, the malls, car parking, stairs, lifts and other common areas.

The result of all this could be a rent roll of £1.75m. The yield would have to go up to 7 per cent (and the yp down to just over 14) to maintain the valuation at £25m—£20m original, plus £5m refurb cust. If it stayed at 6¼ per cent the value would be £28m indicating a £3m "profit" on the refurb process; if it went to 5¾ per cent, reflecting better subsequent growth prospects, the numbers would be £31½m and £6½m respectively.

What about that much-touted 3½ per cent yield for prime retail property? The facts are that 3½ per cent relates to a single shop unit in an absolutely prime position. No shopping centre could be totally composed of those; if it were, it would not work.

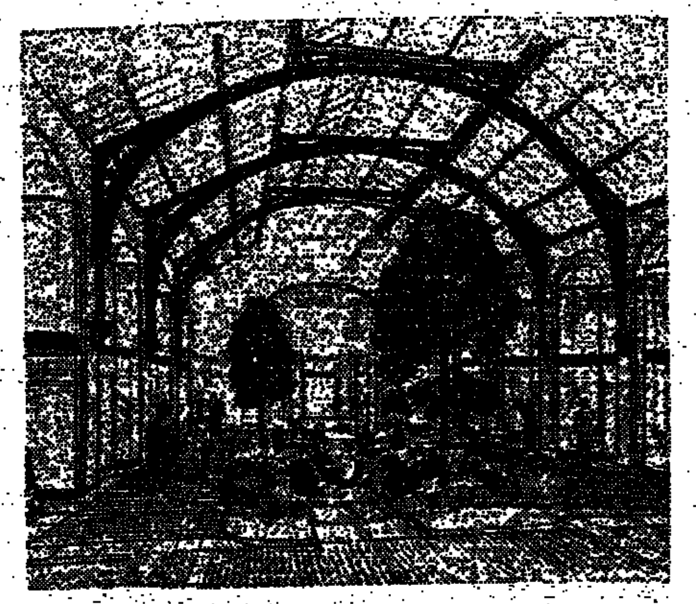
"Shopping centre management involves responsibility and scale of investment, not to mention the possibility of voids," says Mr Couch. "An institution wants a better return than 3½ per cent for that." He does not see a fund investing more than £5m in one lump of prime shopping.

There is no guarantee that the arithmetic will work just like that. Hillier Parker recommend a reasoned financial appraisal of any potential project, to be placed alongside an expert property and estates assessment.

Financial options include revision of ground leases, realisation of marriage value—merging the interests in a given centre can add up to 25 per cent to its value, says Mr Couch—extensions to produce development value, contributions from landlords and tenants, and sale and leaseback.

Estates advice could include research into shopping trends, catchment areas and retail values applicable to an individual scheme. Hillier Parker would then proceed with the production of a detailed feasibility study, in conjunction with design consultants, through negotiations with tenants and all interested parties to the execution of the refurbishment programme.

On costs, says Mr Couch, we are talking about anything between £2m and £5m for a project. "There are bigger schemes than that," he says, "but they are exceptional."



● Proposed galleria in Speyhawk's refurbishment of the Pantiles, Tunbridge Wells, Kent. The £5m scheme involves restoration and some new buildings.

Town has plans for a 'mini-Covent Garden'

Local renewal: Tunbridge Wells

"THE PANTILES and its immediate neighbourhood forms a series of richly varied urban spaces where conservation is not a new concept and where over the years adaptation, preservation and repair have gradually taken place."

Thus, the Tunbridge Wells Borough Council, which, in February, confirmed the appointment of Speyhawk Land and Estates as the developer of the Corn Exchange and other important buildings surrounding The Pantiles, a Georgian shopping precinct on the southern fringe of the town centre.

Mr Nigel Reid of Speyhawk notes that the town has an historical perspective, "dating from the 1600s, "but certain parts of the development area," he says, "have not been looking as lively as they should."

He describes the £5m scheme as "a restoration, inevitably with some new building." In property terms it is a mixed-used scheme, the heart of which is a specialist food hall where locals and tourists should be able to find the best fresh meat, cheese, wine, delicatessen and so on. There will be a coffee house, common seating area, perhaps light catering—"a sort of mini-Covent Garden," he says.

There will be 6,000 sq ft of retailing there, 4,000 sq ft of craft works and studios, 26,000 sq ft of small office suites, a public house, restaurant, a health and fitness spa and an auction hall.

Benefits

The council lists its planning gain, additionally, as:

(i) A new museum.
(ii) Parking facilities for 82 cars.
(iii) Improvements to the Lower Pantiles walkway.
(iv) A tourist information office on the Upper Pantiles.

The Pantiles has been described, in tourist terms, "as important as a cathedral in terms of its identity value."

Speyhawk and its architects, Manning, Clamp and Partners, are aiming to preserve its individual characteristics and combine them with new activities, hence the mix of the development which looks fairly intensive in commercial terms.

Consultant surveyors Donaldson and Sons, of London, advised the council.

New look for London landmark

The former Swan and Edgar site

THIS famous London department store, once the home of Swan and Edgar, was built by Higgs & Hill between 1925 and 1927 to the design of Sir Reginald Blomfield on an island site bounded by Regent Street, Piccadilly, Air Street and Piccadilly Circus. The store became one of the most famous meeting places in the world.

Inside, however, it was overtaken by changing fashions in retailing which have swept away a lot of multi-floor retailers in recent years.

Debenhams, the owner, eventually sold its 26-year leasehold interest to Resource Development, a Dutch development company, towards the end of 1981.

Agents Michael Laurie acted for Resource Development in the acquisition of the leasehold which was subsequently extended to 99 years in renegotiations with the freeholder, the Crown Commissioners.

The firm, which joined with Sir Terence Conran last year to provide a specialist refurbishment set-up in Conran/Laurie, has "eight or nine refurbishment briefs on the go at the moment," according to the project manager, Mr Ronald Lang.

He reckons that he has spent a lot of his recent working life—"probably two days a week for the past two years"—on the Swan & Edgar project. Essentially, the plan is to create 40,000 sq ft of exciting shopping on the basement concourse (with a busy walk-in from Piccadilly Underground station, which is itself being extensively remodelled), ground and first floors, and 60,000 sq ft of offices, largely on the second to sixth floors.

Prospect of 40,000 sq ft of shopping facilities and 60,000 sq ft of offices.

A new seventh floor is being created in the roof space to provide plant rooms (to service the office space) and an office suite. Plant rooms in the sub-basement will serve the retailing space.

Gardiner & Theobald, quantity surveyors on the project, list a number of other features, including:

● The roof coverings, lead and Westmoreland slate, to be renewed.
● The ornate Portland stone face to be cleaned, windows renewed and inner windows provided to offices.
● The existing marble lined staircases to be generally retained and refurbished.
● Detailed planning of the shopping floors to be flexible, and dictated by the requirements of the lettings. Fitting out will be by the tenants' appointed shopfitters.
● High speed lifts will serve the offices which will be air conditioned, with false floors and suspended ceilings.
● Two atria to be constructed from second floor upwards with spectacular planting.
● The Bank of Scotland branch, which occupies a part of the building in the corner formed by Piccadilly and Air Street, remains in its present premises, trading throughout the contract.

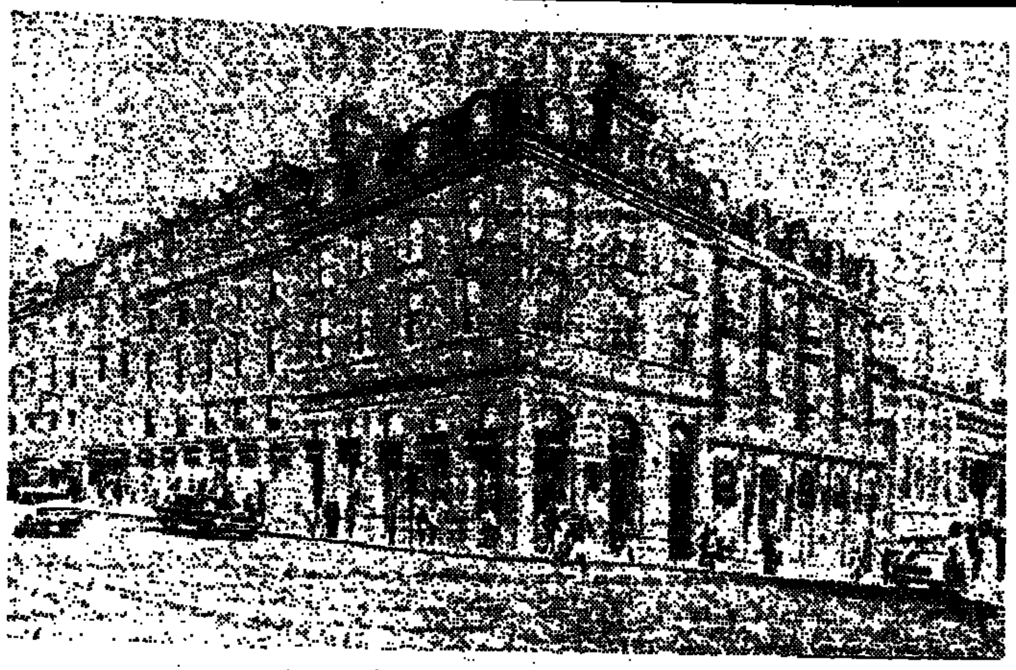
Responsibility

G & T, in a subject close to their hearts, note that a management contract has been specially drafted which provides among other things for the contractor — John Lelliott Management Fee — to be responsible for the development of the architects' design by subcontractors and the site staff, scaffolding and plant the subject of a lump sum bid by the contractor.

Architects are the Halpern Partnership, structural engineers HL Waterman and Partners and services engineers Donald Smith, Seymour & Rooley.

This project offers many advantages. The flexibility of the island site and two-level entry to the retailing avoids the general arguments against mixed developments. Office rents in the area are £15 to £20 a foot—and they could be higher when this element of the development is ready for occupation, early next year.

Ground floor Zone A rents could be around £10 a square foot for Piccadilly Circus shopping, £75 in Regent Street and £55 to £60 a square foot in Piccadilly. Possibilities for the concourse suggest that the normal discount for basement retailing is unlikely to apply here.



● The House of Fraser's Aberdeen scheme which has involved the complete reconstruction of a listed building. The "flagship" store will provide 116,000 sq ft gross.

Shops under pressure to keep bright image

Changes in High Street retailing

THE CORPORATE reaction in Britain to swings in retail property fashion has been a long time coming, in some cases, and varies in its direction and intensity.

A department store used to be the nearest you could find in the UK to a covered shopping centre, but now, if it is off-pitch and short of car-parking facilities, it is fashionable to regard it as an anachronism.

In this area, major moves have included the setting up of a separate property company by Debenhams, which has also disposed of a number of stores; and last November's decision by House of Fraser, under intense and seemingly never-ending pressure from the Lonrho group, to modernise 50 of its 100 stores at a cost of £100m over the next five years.

Elsewhere, Woolworth's wholesale disposal programme, adding more nails to the coffin of the variety store format, is leading to some interesting refurbishment exercises. And even where there is a lot of money available, as in electrical retailing, fierce competition has led the Rumbelows subsidiary of Thorn EMI to announce a £25m store modernisation programme.

The fact is that shop tenants have always been expected to spend their own money in keeping their images bright. Where the owner is occupier — and a possible target for corporate raiders in the stock market— the only surprise is that some of these moves were not undertaken earlier.

House of Fraser has a history of growth by acquisition, rather than development. In so doing, it inherited a lot of old stores, which it had had to rationalise over the years.

APC, with its subsidiary PMI the biggest firm of independent project managers in the UK, has been totally responsible for the project management of eight schemes for House of Fraser.

Costly

Projects at Bromley, Maidstone and Cirencester have been completed; one at Epsom, part of the Bredero scheme, is nearly finished; major projects in Aberdeen and Edinburgh are in progress; and two more, at Tunbridge Wells and Preston, are in the study stage.

Derek Chapman, founder and senior partner of APC, says that Aberdeen is the most complicated and costly, with a contract value something in excess of £7m.

"Frasers had an old store there which was too small and relatively old fashioned," he says. "It needed refurbishment, but it was in the right location."

Fraser acquired two adjoining buildings in and near the prime Union Street shopping area—one an impressive corner banking site—received change-of-use permission and set APC off.

The scheme involves listed building status, total rebuilding of part of the development—which has had to be taken down stone by stone and stored and rebuilt in the same style and character as the listed building. House of Fraser should emerge with a northern "flagship" store of 116,000 sq ft gross, in a city where there is plenty of money around.

In Edinburgh, Arnotts on North Bridge had become off-pitch. House of Fraser owned that, but not the old Carlton Hotel next door. So it bought the hotel and decided to turn the whole building into the new Carlton Highland Hotel which will have 217 bedrooms (against 94 before), public area space, 11 shops on the ground floor and a swimming pool and leisure centre in the basement areas.

Scottish Highland Hotels is to take a lease on the Carlton from House of Fraser which will give profits participation to the latter. The shop units will be specialised, and separately let.

New lease of life for old mills

DEBENHAM TEWSON & CHINNOCKS, in their publication "High-tech — myths and realities," set out to refute the notion that modern industry must have futuristic premises.

"In reality . . . .", they said, "a large number of knowledge-based companies operate perfectly adequately from a wide range of property which was not designed to meet their specific requirements."

DTC's survey revealed that garden sheds, converted garages, wartime nissen huts, standard industrial units, converted textile mills, as well as country mansions and their outbuildings, were all being satisfactorily utilised to house various activities of knowledge-based companies.

At a less cerebral level, J. Bradbury, at Uppermill on the boundaries of Lancashire and Yorkshire, between Oldham and Huddersfield, has converted most of its redundant Alexandra Mill to other uses.

"Part has been let off to a spinning mill," says Mr Peter Bradbury, "and the remainder of the five storey mill, part of the complex, has been let to small industrial units."

Meanwhile, the office block and wool warehouse have been converted into a craft centre where 30 individual tradesmen — carpenters, artists, potters and others — aim to make a living.

Mr Andrew Russell, seconded to the Department of the Environment from top industrial estate agents King and Co., notes an increasing tendency among developers to ask for assistance on marginal projects—"we are now quite extensively involved in the conversion of old industrial property," he says.

Old factories and warehouses are being converted, not only into modern industrial units and workshops, but into residential property as well.

For example, in Nottingham the DoE has approved a proposal which involved the construction of 52 new houses, and the conversion of a disused factory into 52 flats. The project cost was £4.3m, of which the private sector was able to put up £3.89m under normal business criteria. The balance was allocated from urban development grant as a sort of pump-priming exercise.

In Bradford, three redundant, listed mills have been converted to residential and commercial uses in a project which cost £3m, of which the private sector contribution was just over £2.4m.

● MANAGERS' offices and conference rooms (left) at the relocated London offices of the First National Bank of Chicago.

On the right is a section of the bank's dealing room. Office Planning Consultants were instrumental in relocating the bank's premises in First Chicago House in the heart of Covent Garden. The building was designed by Richard Seifert Partnership and developed by the Metropolitan Estate and Property Corporation. OPC won the First Chicago contract against stiff international competition from both British and U.S. architectural practices. The project was completed to a formidable time scale, but throughout the re-location and refurbishment, First Chicago was able to operate smoothly with little disruption to business.

New technology in the dealing room is such that the bank can fairly claim to have one of the most advanced centres of its kind in the world.

Contractors and suppliers for the scheme included Tarmac Schal (site management): Andrews Weatherfoil, and Troupe Byewaters and Anders (air-conditioning): Templan Interiors (partitions/doors); Horsmans, and Brew and Co (joinery); Camelcon and Grant Taylor (communications).

Redevelopment in St. Albans has carefully respected the existing buildings

Town that is keeping its character

SOME TOWNS do not want modern, enclosed shopping centres. A plan for St Albans in Hertfordshire, where the architectural effect of the proposed giant (and eventually aborted) scheme in the 1970s "scared people to death," according to Henry Humphreys, independent consultant to the St Albans District Council, is a case in point.

"This was a case where development had to be carried out without being obvious," says Mr Humphreys. The result was a phase plan for the Chequer Street comprehensive development area which, in toto, includes 170,000 sq ft of shopping to be developed by Bredero to the design of architect Keen Rees of the Renton Howard Wood Levin Partnership.

Phase one, which has been completed, includes only 30,000 sq ft of shopping gross of storage and about 6,000 sq ft of offices. It takes in a lot of refurbishment, which costs about one-third of the total phase one bill of £5m.

The team found itself refurbishing buildings which dated from the 16th century, in part, to late Victorian. At 24-26, Chequer Street, what was once a brewery — and then became a cinema before World War I— presented more than its fair share of problems.

Dry rot

"The building was riddled with dry rot," says Mr Humphreys. "All the main roof trusses were affected at bearing points where they sat on the wall plate (also riddled), so the building was supported on its internal partitions alone."

Bredero found seven wells on the site, all around 200 ft deep. The council was told that there was no way that the building could be refurbished, as it was.

However, the trusses were sent to Mr Peter McCurdy who specialises in refurbishing roof trusses at his centre at Manor Farm, near Reading, Berkshire — "they 'scarfed' them," says Mr Humphreys, indicating a sort of wooden transplant.

"Then we found the walls had no foundations," he says. "They were built straight on the earth. We had to pull down the lot and the building was totally rebuilt using the old materials and the old roof tiles."

"Initially, I was horrified," says Mr Humphreys. "I thought there was no way that the building could be preserved."

It is the policy of the District Council and the Hertfordshire County Council to ensure that where any new development takes place, it should be carried out in sympathy with the established character of St Albans.

To Mr Humphreys, this meant "a total gut and restructure in parts of Chequer Street, but in a fashion which has not meant redesign." The designers have also been under pains to maintain the "grain" of the town which runs at right angles to Chequer Street and is typified by a profusion of pedestrian alleys running from east to west.

The result, so far, is extremely pleasant, especially in the office suites which would drive the proponents of wide open space and "operational efficiency" to tears.

Whether the town will benefit in monetary terms from open shopping is an open question. But it is hard to measure the quality of life in those terms.

Glaxo jumps 46% to £117m midway

Glaxo Holdings, manufacturer of pharmaceuticals, foods and surgical products, lifted pre-tax profits by 46 per cent from £80.4m to £117.4m in the half year to December 31 1983, on external sales of £850.2m, against a restated £463.5m.

Earnings per 50p share climbed from 13p to 20.3p, while the net interim dividend is stepped up by 1.25p to 4p—last year, a total of 9p was paid on record £185.1m profits.

First-half group trading profits increased by 48 per cent to £106m (£71.7m) and share of associates' profits added £7.9m, against a restated £6.1m. Investment income amounted to £9.5m and interest payable to £6m to give net investment income of £3.5m, compared with £2.6m.

After tax of £41.4m (£32.6m) and minorities of £1.1m (£0.3m) the attributable balance was ahead by 58 per cent at £74.9m, against £47.5m. The interim dividend costs £14.73m.

The proportion of profits taken by tax shows a significant reduction from 40.5 per cent to 35.3 per cent. This has arisen largely through an increase in capital expenditure, on which high tax allowances are given, and tax reliefs in certain of the overseas countries in which the group trades.

No change has been made in the manner in which the group provides for deferred tax, but the position will be reviewed when the accounts for the full year are prepared.

Changes in foreign exchange rates since June 30 1983 have not had a material effect on the results for the six months.

Sales by group companies to external customers and Vestric for the six months amounted to £409m — an increase of £66m or 19 per cent over the restated 1982 figure. Of this, UK sales totalled £91m, a rise of over 13 per cent, and overseas sales advanced by £15m to £318m. Wholesaling sales by Vestric were up 18 per cent to £160m.

While sales of ranitidine, the group's anti-ulcerant, account for most of the increase, there have been satisfactory improvements in the sales of its other major pharmaceutical products.

Ranitidine was introduced in the U.S. in July, 1983, but there are two major markets — Japan and France — where the product has still to be launched.

Ceftazidime, the group's new injectable broad spectrum antibiotic, was launched in the UK in December, 1983 and in Italy at the end of March, 1984. It will be progressively introduced into other markets.

While the results of the group's Japanese associates improved during the six months, these companies are now being adversely affected by the general compulsory price reductions and their contribution to the results for the remainder of the year is expected to be small.

The group's share of results of the Indian company, in which its interest was reduced from 75 per cent to 40 per cent on January 31, 1983, has been included under associates contributions, while sales by the Indian company to that date (£40.9m in the six months to December 31, 1982) are not included in sales figures.

Exchange differences have been dealt with in accordance with SSAP20 and accordingly, certain exchange profits, amounting to £4.9m in the corresponding 1982 period — which under the former policy were taken to Profit and Loss account — have been dealt with through reserves.

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Cussins Property	3.3	June 8	3.1	5.5	5.1
Edinburgh Secs.	‡0.15	—	0.15	0.15	0.15
Glaxo int.	4	June 15	2.75	—	9
James Halstead int.	1.25	June 4	1.25	—	3
Hunting Petroleum	5.75	July 3	5.75	8	8
Highland Distilleries int	1.04	June 6	0.97	—	3.2
William Jacks	0.35	July 2	Nil	0.7	Nil
Jenks and Cattell	1	June 4	¶0.5	2	¶1.5
Rugby Cement	3.1	July 2	2.9	5.8	5.5

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ For 17 months.

14% midway growth for Highland Distilleries

FIRST-HALF ended February 1984 profits of Highland Distilleries rose by 14 per cent from £3.58m to £4.08m, helped by a turnround in interest payable of £179,000 to interest receivable of £166,000.

Turnover was some £1m behind at £49.61m. This and the profit have been affected by a change in pre-Budget buying patterns, the directors point out. In 1983 peak pre-Budget sales took place in February, whereas in 1984 these have tended to come in March. Sales of the Famous Grouse Scotch whisky in home and export markets for the seven months to the end of the March are "comfortably ahead" of last year.

Sales of mature whisky shows a slight increase over last year, but sales of new whisky to blenders continue to be depressed. The distilleries are operating at a higher level of output in the current calendar year

Gross profit for the half year amounted to £4.39m (£4.24m). Tax takes £990,000 (£860,000) to leave the net profit at £3.09m (£2.72m), for earnings of 5p (4.4p). The interim dividend is lifted to 1.04p (0.97p); the total for 1982-83 was 3.2p

● comment

The cash is still pumping in at Highland, with the interim balance sheet a net £8m to the good against £2.2m at the last year end. There are, of course, limits to this process; indeed, the need to preserve continuity of stocks is partly responsible for the re-opening — at a loss — of the Islay distillery. Famous Grouse, though, is still moving strongly ahead. Taking the even month period to end March — to iron out Budget distortions —UK volume was up by 9 per cent. The brand's quarter share of the Scottish market is probably a ceiling, but the 6 per cent share in England is still being improved on. Export volume, too, was 11 per cent up in the seven months, and the push into the U.S. has yet to get under way. Full year pre-tax should be £8m; there will be an extraordinary write-off for deferred tax — the company calculates that the Budget tax measures will cost it £600,000 in cash over the next three years. At 113p —up 1p—the shares are on a prospective p/e of just over 12.

Winding up orders made against 67 companies

Compulsory winding-up orders against 67 companies were made in the High Court. They were:

YPC International, Peter Klinger, Cartoma Services, G. Rose and Sons (Fruiterers), Waterlow Shipping and Transport, Calmwise.

Daedal Display, Barchbed, Scias, Walker-Weston (Management Services), New Guildford Decklights.

Welsh Bride, L. H. Shamdasani and Co, Gull Maritime, Dipgrove (Continental), J. Tyson and Sons, Seymour Trading.

Barrie Lines (Machine Tools), Frank Porter. J and T Florist, Axholme Finance Company, Fargo Products, Starline Car Hire.

Frank Kay, Primrose Third Axle Company, Gracerite Garages, Talbot Construction (Camberley), Glengate Contractors.

East London Publications, Ethicgate, Hadrian Rentals, L. D. King (Wholesale), Vergegate, Collart Construction.

Lunar Fashions, Sunseeker (Danbury), Coastal Furnishings, Abco Trading, Mapledart, Innergrade, Thermotropic, Digitgold.

Michael J. Barber, Jackson Window Systems, New Realm Distributors, Speechley and Co (Norwich), R. Nessbert & Sons, Cudaron.

Microfilm Computing Services (Bristol), Alpha Thermal, Classicfame, Blyth (Realisations), Mandalia.

Raycon, Goldbold, Fashion Bags, P. W. Finch (Allpest Control and Timber), Paula Lee (Childrenswear).

Zellow, Viendon, RNSK Productions, Glidecrest, Slide Graphics, L. G. Virgo & Co, *Monkshill Social Club, Alleycoin,* Hardwick Steel Strip Supplies.

A compulsory winding up order made on March 19 against Adland was recalled, and the petition was adjourned until May 21 with leave to substitute Milan Press, the company's present name.

Compulsory winding up orders against Argo Transport (March 26) and Compton Property Services (April 2) were rescinded and the petitions dismissed by consent.

Inter-City loss rises but Wearwell benefits accrue

REFLECTING the difficulties encountered prior to the agreement with Wearwell, pre-tax losses of Inter-City Investment Group, investment, textiles and wholesale distribution concern, increased from £258,000 to £466,000 for the six months ended June 30 1983. Turnover was £3.44m, against £3.05m.

Overall results were affected by provisions against certain doubtful debts.

Last July the two companies agreed that Mr Asil Nadir's Wearwell would take a controlling interest in Inter. As at June *30 1983 Wearwell* was the major creditor and was owed some £2.3m. It was proposed that £1.87m of the outstanding indebtedness should be capitalised into 9.35m shares. With its 10,000 existing shares Wearwell would own 50.12 per cent of Inter.

At the same time Inter had a rights issue, to raise some £1.87m, in order to repay certain outstanding loans and provide additional working capital.

The Inter directors now comment that since the end of the 1983 interim period the group's overall position has been "considerably strengthened" as a result of the investment by Wearwell and the rights issue.

The benefits of the Wearwell deal, and the capital injection have gradually but steadily begun to accrue, the directors state. Considerable progress has been made on the rationalisation of overheads.

The majority of the group's staff now operates from offices leased by Wearwell. By June it is anticipated that Inter's freehold premises at Glasshouse Fields will be vacated and available for disposal.

The directors add that the trading benefits of the Wearwell association are steadily being reflected in increasing trade by the group, and they anticipate that these benefits will have a material impact on performance in 1984.

The last dividend Inter paid was 0.6p for 1979.

Rugby Cement tops £24m after better second half

CONTINUED BENEFITS from cost reduction measures taken in the UK cement group have helped Rugby Portland Cement to improve its profits in the second half, and push up the total for the year 1983 from £23.55m to £24.18m.

However, the benefits were, to some extent, offset by a some*what higher* trading loss from Rom River Plasclip, and the UK trading profit only increased from £16.64m to £16.86m. With its market very depressed Rom River carried out a comprehensive review and reorganisation of its business activities, and the costs are shown as an extraordinary charge of £487,000.

In Western Australia a last quarter upturn in the demand for cement, on top of a steadily improving call for lime, meant that Cockburn Cement nearly made good the substantial first half shortfall in trading profits; the *Parmelia Hotel* continued with its steady progress. Overall, trading profits overseas touched £6m (£5.92m).

Profits from the related companies showed an upsurge to £992,000 (£286,000) and include R. C. Cement from June 23 last. Selling prices in the U.S. mostly failed to respond to the improvement in consumption.

Current year indications are for modestly higher cement sales in the UK and a substantial improvement from Rom River given its lower cost base. Overseas, Cockburn should see better sales tonnages and will benefit from its land disposals, while the related companies in the U.S. see the prospect of increases in both sales volumes and selling prices.

In 1983 group turnover amounted to nearly £168m, compared with £165.71m. The increase in sales tonnage during the second half was slightly higher than in the first, resulting in sales tonnages for the year being over 4 per cent higher than in 1982.

Tax has been reduced by £580,000 following a review of the deferred liability.

The charge is £7.25m (£7.86m) and minorities take £352,000 (£317,000), to leave earnings at £16.58m (£15.38m) or 13.8p (12.9p) per share. The final dividend is stepped up to 3.1p for a net total of 5.8p, against 5.5p.

● comment

The UK cement makers' price freeze, since January 1982, has kept the importers out of the mainland at least. But it is beginning to bite into margins. Rugby edged profits from this side up in 1983, thanks to a 4 per cent volume rise, compared with a 3 per cent industry increase, and fuel and manpower savings. Though Rugby has got off to a cracking start this year, and should do the market share trick again, without a price rise its UK cement profits will be down. A good thing, then, that everything else is going Rugby's way. The Rom River steel reinforcement business, which lost around £500,000 in 1983, should return to profits in 1984 after cutbacks and a new marketing strategy. The Australian activities are all doing better and this year there will be the first profits, of £500,000 or so, from the four year programme of land sales. And the U.S. cement side is picking up too, with Rugby's latest purchase River Cement likely to pay the interest on its $21.5m price. Group profits could reach £25m, giving a prospective p/e ratio of 7.4 with the shares at 108p, up 3p yesterday. The near 8 per cent yield and strong asset backing will also provide support.

HIGHLIGHTS

LEX looks at the influence of Wall Street on the London market again today, with leading pundits predicting higher prime rates, before going on to examine the longer term implications for the domestic securities industry in the light of Cadbury Schweppes' decision to raise $75m in American Depository Receipt form. In similar vein, the column looks at the latest stages of securities market restructuring as Morgan Grenfell links with Pinchin Denny, the stockjobbing firm, while London attempts to stake out its position in the new, truly international dealing community. Elsewhere, Hanson Trust is still encountering resistance to its proposed offer for U.S. Industries.

Body Shop opening on USM

BY ALISON HOGAN

Brokers Capel Cure Myers are bringing the first retailing franchise operation to the Unlisted Securities Market, the Body Shop, by the placing of 20.4 per cent of the equity, jist over 1m shares, at 95p per share giving a market capitalisation of £4.75m.

Anita Roddick and her husband Gordon opened the first Body Shop in Brighton in 1976, putting up £4,000 and getting another £4,000 from a local businessman, Ian McGlinn. Their aim was to sell naturally-based beauty products in simple packaging which customers could bring back for refills at a modest price.

The marketing formula was a great success. They developed new products, got subcontractors to make them up, and opened a couple more shops. They de*cided in 1977 to develop the* business by making it a franchising operation, providing the products, the training and the distribution of the beauty care products.

They now have a network of 99 shops in the UK opening at a rate of around 15 a year.

Overseas, shops have opened in several countries including Canada, Sweden, Holland, Belgium and Germany.

In July 1983, the company began to manufacture some of its products and expects to increase the amount. It double sources most of its subcontracted work to guarantee supply.

The company grew slowly in turnover and profits for the first couple of years but has shown a faster spurt in growth since 1982 when the network of shops was established and a large warehouse from which to distribute the goods.

Pre-tax profits rose from £31,000 to £114,000 in the year to November 1982 to £275,000 for 1983 on turnover up £1m to £2.6m. The company forecasts a pre-tax profit of £390,000 in 1984.

The p/e ratio at the placing price based on 50 per cent tax is 24.4 times. The dividend *yield is 2.7 per cent.*

Munro Corporate are joint sponsors with Capel-Cure Myers.

Exchange rate hits William Jacks profit

Overeas trader, motor-car distributor and retailer William Jacks is paying a final dividend of 0.35p to make 0.7p for the 13 months' period ended January 31 1984. The company cleared off its arrears of preference dividend last June.

In the period, turnover moved up to £21.93m, from £17.02m in the previous year, but profit fell from £452,000 to £350,000, with the UK accounting for £28,000 (£53,000) and Zambia £322,000 (£399,000).

With the 25 per cent devaluation in the rate of the Zambian kwacha to sterling, the UK profit includes an exchange loss of £62,500 on outstanding dividends.

After tax £175,000 (£189,000) the net profit came out at £175,000 (£264,000 before extraordinary debits £137,000). Earning are given as 3.2p (4.85p). The company's ultimate holding company is Jacks International (Singapore).

N. Brit. Canadian

Net revenue increased from £377,854 to £409,841 at North British Canadian Investment Company for the year to the end of February 1984. The net final dividend is being raised from *3.6p to 3.8p, which lifts* the total from 5.35p to 5.7p.

Earnings per 25p share came to 6.07p (5.6p). Net asset value moved up from 156.8p to 204.3p —at the end of last August the figure was 181.7p.

Hunting Petroleum dips to £6m but poised for growth

TAXABLE PROFITS of Hunting Petroleum Services slipped from £7.14m to £5.97m in 1983, although the second-half result was slightly better than expected at £3.16m. In October, the directors had forecast a similar figure to the £2.81m made in the first six months.

Mr Clive Hunting, the chairman, says the main reason for the modest improvement in the trend has been a very creditable performance by the Canadian subsidiary, which has been able to maintain, and expand, its business. A secondary factor has been the strength of the U.S. and Canadian dollars against sterling.

The group as a whole has experienced declining profits for the past two years in the full face of the oil industry recession. However, the chairman believes the group is poised to achieve growth once more, though he looks for no immediate fireworks," but rather to a sustained rate of progress.

Mr Hunting expects better contributions from group activities in the U.S. and, as inflation is reduced, and the economy improves, he looks forward to further growth in the contributions from the UK based lubricants, fuel distribution and associated activities.

The dividend for 1983 is maintained at 8p net with an unchanged final of 5.75p. Earnings per 25p share were 20.7p (33.61p) basic or 18.42p fully diluted.

Turnover for the year increased from £201.16m to £241.59m. A breakdown of this and pre-tax profits shows (in 000's): crude oil transportation and terminal operations £154,021 (£120,786) and £3,556 (£1,527); oil broking, storage, products distribution and lubricants £42,239 (£36,099) and £1,525 (£867); drilling and oilfield services £41,293 (£39,699) and £645 (£3,885); oil and gas exploration and development £4,035 (£4,583) and £242 (£859).

After tax of £1.95m (£2.43m) net profits were down from £4.71m to £4.02m. Minorities took £964,000 (£511,000) and after a £450,000 provision this time for UK tax changes, the atributable balance dropped from £4.2m to £2.61m. Dividends absorb £1.2m (£1.04m).

Jenks boosted to £1m as recovery continues

THE RECOVERY at Jenks & Cattell, system buildings, pressed components group, continued through the second half of 1983 and pre-tax profits finished the 12 months at £1.12m. This is compared with £110,000 for the previous 17 months.

Turnover amounted to £25.35m, against £26.13m, and the dividend is boosted to 2p (1.5p) with a final distribution of 1p—three payments of 0.5p were made last time.

Activity levels in the first quarter of the current year have proceeded virtually to plan, directors point out, and all divisions are trading profitably.

After six months profits were £628,000 (£170,000 for 11 months).

Jenks & Cattell Tools and Engineering subsidiary achieved a "very substantial" increase in operating profits from £84,000, in the previous 17 months, to £415,000 last year, while the Burgon and Ball tools division lifted its contribution from £168,000 in the 13 months ended December 31 1982 to £361,000 in 1983, the directors state.

They add that the Elliott-Medway building companies maintained their profits at £777,000 (£788,000) for the period.

Group pre-tax figure was after no exceptional items this time, compared with £159,000 debits, and lower interest payable of £331,000 (£771,000). There was interest receivable amounting to £13,000 (nil).

Tax charge was similar at £160,000, against £154,000, minorities took £2,000 (same) and there were extraordinary debits for the period of £436,000 (£290,000 credits). Earnings per 25p share were 5.6p, compared with 1.1p losses.

The directors also announce that Burgon and Ball has agreed in principle to acquire the decorators and DIY hand tool business of Taymar Tools, of Sheffield, part of the Taymar Group based in Stockport.

Consideration has been agreed at £160,000 for the freehold land and buildings, plant and machinery tools and dies, plus some £150,000 for stock which is to be valued at completion.

Included in the £160,000 consideration is £35,000 for the freehold land and buildings located near Sheffield city centre. These were professionally valued with vacant possession on June 27, 1983, at £85,000.

J. Halstead midway fall is £273,000: interim held

THE DROP in first half profit intimated by the James Halstead Group turns out to be £273,000, following losses of £554,000 in the holiday company. Taking the group's business as a whole, however, the directors continue to view the future with confidence.

Profit for the six months ended December 31 1983 came out at £762,000, compared with £1.04m for the corresponding period and with £2.27m in the full year ended June 30 1983. In the first half flooring and leisure products accounted for £1.32m (£1.25m); the loss on holidays shot up from £212,000 to £554,000, although it was below the estimate of £600,000.

The interim dividend is being held at 1.25p net.

Turnover for the half year rose from £12.91m to £15.11m. After tax £239,000 (£389,000) the net profit was £523,000 (£648,000) and there was an extraordinary debit of £51,000 (£11,000). Earnings come to 3.75p (4.71p) per share.

The directors say the trading position continues to be satisfactory so far as the mainstream activities are concerned. Liquidity and profitability are running at or close to the budgeted levels.

With regard to the holiday company, they are monitoring the effect of the remedial steps outlined in last year's annual report.

Lloyds Bank stalls on deferred tax

Lloyds Bank is still weighing up its liability for deferred tax, following the Budget changes in the corporation tax system. The newly published annual report reveals £612m of deferred tax unprovided for—a figure disclosed last month in connection with the bank's $250m floating rate note issue.

Unlike the Natwest, which has estimated that as much as 60 per cent of its deferred tax bill may have to be paid, Lloyds will not give any guidance as to its own position at least until the annual meeting next month. "Our shareholders should be the first to know," said Lloyds' chief executive, Mr Brian Pitman.

Because many of the finance leases to which the deferred tax relates contain clauses allowing lessees to renegotiate the terms when the tax regime alters, reassessing the banks' tax bill is a complicated process. Senior executives of Lloyds said additionally that new computer programming would be required before the precise size of the tax liability could be calculated.

In common with the other London clearing banks, Lloyds has yet to state what method of accounting for the increased liability will be adopted.

Mr Pitman tells members in the report that the group continues to strengthen its capital resources. At the end of 1983, capital resources were £2.69bn (£2.33bn) representing 7 per cent (6.77 per cent) of total assets up £4bn at £38.43bn.

Shareholders' funds rose from £2.01bn to £2.3bn in the year and the percentage of these funds to total assets also improved, reversing the recent trend. Over the past five years, shareholders' funds have more than doubled.

In addition, loan capital stood at £386m (£322m) at the year end, providing an additional source of long-term funds to support the business.

Mr Pitman says the group's capital strength is a major competitive advantage, which keeps it well positioned to make the most of future opportunities as they arise.

As reported on March 10, group pre-tax profits for 1983 climbed by 27 per cent from £329m to £419m, after bad and doubtful debt provisions unchanged at £219m. Net profits rose by 14 per cent to £284m (£249m) representing about one penny for every pound of average loans outstanding.

Among countries which are rescheduling their debts, the group has cross-border outstandings in excess of 1 per cent of total assets in three; namely Brazil 2.4 per cent, Mexico 2.4 per cent and Venezuela 1.1 per cent.

Capital expenditure reached a record £110m in 1983, representing a substantial investment to secure the future of the group's growing businesses, Mr Pitman states. It was directed partly to Lloyds' global network, while the group also invested heavily in new technology. Opportunities for further investment remain under constant review, both at home and abroad.

Meeting, Head Office, 71 Lombard Street, E.C., May 3, 3 pm.

Cadbury confident of further progress

CHALLENGING objectives have been set at Cadbury Schweppes for 1984, and Sir Adrian Cadbury, chairman, tells members in his annual review that he is confident the year will prove to be one of further achievement.

He adds that the company is well placed to take advantage of the opportunities for growth through its geographical spread, and the strength of its international brands.

"Investment in America remains a priority and other areas of expansion are the Pacific Basin and South America," Sir Adrian states.

As reported on March 9 every region of the group's operations improved its return on operating assets in 1983. Group sales rose by 14 per cent to £1.7bn (£1.49bn) and taxable profits expanded by 19.2 per cent from £89.7m to £106.9m.

Sir Adrian says that 1983 was a year of progress when the company "built successfully" on the changed geographical balance of the business, to which it has been working over the last few years.

Trading profit advanced by 20 per cent to £125.6m, with the American and Australian businesses increasing their profits by 37 per cent and 36 per cent respectively. The UK region made an 11 per cent improvement.

"We have embarked on a major capital expenditure programme in the United States and are examining the desirability of entering the U.S. equity market as part of our commitment to growth in North America," Sir Adrian states.

The chairman says it is encouraging, in the context of changing markets, to see the success of some of the major new introductions to the home market during 1983, such as Cadbury's Wispa and the new range of packs for Schweppes and Kia-Ora; similarly new line activity is taking place in the company's main markets round the world.

"The company's marketing strategy is based on quality and value. This is why the drive to reduce overheads, eliminate costs and improve productivity is never ending," says the chairman.

As at December 31 1983 group fixed assets were £530.5m, compared with £460.7m.

Annual meeting will be held at the Hilton International at Park Lane, W, on May 3 at noon.

See Lex

Profit rise for Cussins Property —pays more

IN 1983, profits of Cussins Property Group rose from £1.3m to £1.5m, on a turnover of £6.93m, against £6.85m. The dividend is pushed up to 5.5p (5.1p) with a final of 3.3p. Net asset value at the year end stood at 153p per share, compared with 106p the year before.

Tax takes £507,000 (£497,000) to leave the net profit at £997,000 (£804,000). Earnings are shown to be 18.15p (14.64p). Rents receivable at December 31 were £580,000 annually (£250,000), and the residential division again made a record contribution to profits despite fierce competition.

The current year has started well and the directors look forward with confidence to another successful year for both the residential and commercial divisions.

At South Shields the town centre shopping development should be completed in June, and it is expected that the initial rent target of £425,000 will be achieved. In the Walworth Road development Argyll Foods began trading last month; this produces a gross rental of £225,000 per annum and his not been included in the 1983 figures.

Last month also saw the commencement of the first sheltered housing scheme, and it should contribute to profit this year.

BASE LENDING RATES

A.B.N. Bank	8½%	Heritable & Gen. Trust	8½%
Allied Irish Bank	8½%	■ Hill Samuel §	8½%
Amro Bank	8½%	C. Hoare & Co. †	8½%
Henry Ansbacher	8½%	Hongkong & Shanghai	8½%
Armco Trust Ltd.	8½%	Kingsnorth Trust Ltd.	10 %
Associates Cap. Corp.	9 %	Knowsley & Co. Ltd.	9½%
Banco de Bilbao	8½%	Lloyds Bank	8½%
Bank Hapoalim BM	8½%	Mallinhall Limited	8½%
BCCI	8½%	Edward Manson & Co.	9½%
Bank of Ireland	8½%	Meghraj and Sons Ltd.	8½%
Bank of Cyprus	8½%	Midland Bank	8½%
Bank of India	8½%	■ Morgan Grenfell	8½%
Bank of Scotland	8½%	National Bk. of Kuwait	8½%
Banque Belge Ltd.	8½%	National Girobank	8½%
Banque du Rhone	9½%	National Westminster	8½%
Barclays Bank	8½%	Norwich Gen. Tst.	8½%
Beneficial Trust Ltd.	9½%	People's Tst. & Sv. Ltd.	9½%
Bremar Holdings Ltd.	8½%	R. Raphael & Sons	8½%
Brit. Bank of Mid. East	8½%	P. S. Refson & Co.	8½%
■ Brown Shipley	9 %	Roxburghe Guarantee	9½%
CL Bank Nederland	8½%	Royal Trust Co. Canada	8½%
Canada Perm't Trust	9½%	■ J Henry Schroder Wagg	8½%
Castle Court Trust Ltd.	9 %	Standard Chartered ‖	8½%
Cayzer Ltd.	8½%	Trade Dev. Bank	8½%
Cedar Holdings	9 %	TCB	8½%
■ Charterhouse Japhet	8½%	Trustee Savings Bank	8½%
Choulartons	10½%	United Bank of Kuwait	8½%
Citibank Savings ¶	9½%	United Mizrahi Bank	8½%
Clydesdale Bank	8½%	Volkskas Intnl. Ltd.	8½%
C. E. Coates	9½%	Westpac Banking Corp	8½%
Comm. Bk. of N. East	8½%	Whiteaway Laidlaw	9 %
Consolidated Credits	8½%	Williams & Glyn's	8½%
Co-operative Bank *	8½%	Wintrust Secs. Ltd.	9 %
The Cyprus Popular Bk.	8½%	Yorkshire Bank	8½%
Dunbar & Co. Ltd.	8½%		
Duncan Lawrie	8½%		
E. T. Trust	9 %		
Exeter Trust Ltd.	9½%		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	9½%		
Robert Fraser	9½%		
Grindlays Bank ‡	8½%		
■ Guinness Mahon	8½%		
■ Hambros Bank	8½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.25%. 1-month 6%. Fixed rate 12 months £2,500 8% £10,000, 12 months 8.25%.
† 7-day deposits on sums of: under £10,000 5¾%. £10,000 up to £50,000 6½%. £50,000 and over 7¼%.
‡ Call deposits £1,000 and over 5¾%.
‖ 21-day deposits over £1,000 6¼%.
§ Demand deposits 5¼%.
¶ Mortgage base rate.

Extra £180,000 for T & N chairman

UNDER HIS agreement with the company's bankers, Sir Francis Tombs, chairman of Turner and Newall, received an additional fee of £180,000 (£72,000 net of tax) in respect of 1983. His emoluments came to £51,107—he has no pension provision.

Sir Francis disclosed a year ago that the company's bankers had agreed to pay him a contingent fee over a period of three years related to any increase over 23p in the price of a notional 2m ordinary shares in Turner up to a ceiling value of 50p per share.

His shareholding in Turner is 166,600 ordinary shares beneficial, bought during 1983. And he has an option from the Prudential Assurance Company to purchase 333,400 shares. At March 5 1984 the Pru held nearly 5.5m shares in the company, equal to just over 5 per cent of the capital.

In his annual statement the chairman reaffirms his expectation of a current year's profit at least 50 per cent higher than the £12.5m achieved in 1983. That compared with a loss of £19.3m in the previous year.

He thinks much of the improvement will again come from UK companies. Most are now operating profitably and the others should return to profits this year.

Last year the group's bank borrowings more than halved and the year ended with a much reduced gearing level of 23 per cent. In the current year there will be further reductions in the debt; some from selling surplus assets and reducing working capital levels, but most from the increasing profits.

The UK group has pulled up its working capital ratios to a very good level compared with historical standards. Although some further improvements remain to be made, the efforts of 1983 have reduced UK working capital by £19m.

As part of the drive to reduce cash requirements, UK capital expenditure was kept to a minimum last year and amounted to only £4m. In the current year it is planned to increase it to a more normal level.

A current cost statement, unaudited, shows a loss before tax of £2.1m (£37.6m). On a per share basis the loss was 7.07p (43.51p).

Sir Francis says "highly encouraging progress" continues to be made with asbestos substitution in all asbestos-based products except high pressure pipes and some textiles. Ferodo has established a strong position in non-asbestos friction material in Europe, as has Nuturn in America.

At the end of 1983 numbers employed in the UK were 9,460, a reduction over the year of 2,730 of which 1,440 related to continuing businesses and the rest to disposals. Numbers employed in the group, including Shabanie and Mashaba Mines (Pvt) were 30,390, a fall of 9,530 of which 3,570 related to continuing businesses.

Annual meeting will be held in Manchester, on May 10 at noon.

Edinburgh Securities losses deepen but dividend maintained

HIGHER exploration expenditure write-offs and increased losses by its associates pushed the Edinburgh Securities Company deeper into the red in 1983.

At the pre-tax level the USM group, engaged in oil and gas exploration, production and investment, incurred a deficit of £1.18m (£994,000) but as predicted at mid-year is holding its dividend at 0.15p net per 25p share.

Exploration expenditure write-offs were up from £463,000 to £572,000 and were mainly attributable to Edinburgh and Dallas Petroleum.

The share of losses of associates, Santop and Bearcat Explorations (UK), rose by £72,000 to £148,000. There was also a realised loss on investment sales of £232,000 (£173,000).

As a result of successful exploration drilling in the latter half of 1983, the group's monthly oil and gas revenues have more than trebled since beginning of 1984. Furthermore, its ventures in North America are now producing cash flows sufficient to self-finance the planned exploration programmes.

Attention is once again being directed towards the investment and oil finance activities where sentiment has improved markedly. Given the group's debt-free balance sheet and unused credit facilities, the directors look forward to an active year in this area.

Group turnover for 1983 declined from £102,000 to £86,000. Loss per share rose by 2.13p to 10.43p after taking in lower tax credits of £97,000 (£278,000) and minorities.

The accounting policy adopted by the group, writes off all the costs relating to a non-productive well in the year in which it is recognised as unsuccessful, and only the book cost of each well completed for production is transferred to oil and gas properties.

The directors are of the opinion that the value of the group's producing properties is significantly in excess of balance sheet values.

An independent valuation of oil and gas properties will take place shortly, and will be included in the interim report for the current year.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: Fitch and Co, Ingall Industries, Murray Electronics, Raglan Property Trust.

Finals: Bosse Massimi Pollitt, British Dredging, Erith, I. & J. Hyman, H. & J. Quick, Savoy Hotel, Senior Engineering, Sovereign Oil and Gas, Taylor Woodrow.

FUTURE DATES

Interim:	
SI	Apr 19
Finals:	
Bopsey and Hawkes	Apr 18
Boustead	Apr 16
Cory (Horace)	Apr 18
Edbro	May 31
Feb International	Apr 24
Gaskell Broadloom	Apr 12
Grovebell	Apr 30
Hopkinsons Holdings	Apr 27
House of Fraser	Apr 26
Oilfield Inspection Services	Apr 11
Pentland Industries	Apr 30
Spencer (George)	May 18
Toye	Apr 19

Blue Arrow on its way to the Unlisted Market

Blue Arrow, which has interests in travel and staff recruitment, has approached the Stock Exchange with a view to achieving a quotation on the Unlisted Securities Market this summer.

The group runs 34 staff recruitment agencies and specialises in arranging villa holidays in Portugal.

Pre-tax profits reached £191,000 on a turnover of £14.6m in the year to last October, following several years in which the group made losses while it pulled out of a range of unprofitable or peripheral businesses, including advertising, printing and estate agencies.

Now that Blue Arrow's reorganisation is complete, Mr Tony Berry, the chairman, is forecasting that pre-tax profits will rise to at least £850,000 in the current year. The group expects to come to the USM with a market value of about £3.5m and aims to raise about £500,000, which it will use principally to build up the holiday interests.

In the longer term, Blue Arrow plans to use its equity to buy a specialist contract cleaning company — an activity dear to Mr Berry's heart. He used to work for Brengreen before joining Blue Arrow two years ago at the request of Mrs Sheila Birch, the founder and owner of 45 per cent of the shares, who was looking for a new chairman to turn the business round.

It is expected that between 10 per cent and 20 per cent of the equity will be sold.

COMPANY NEWS IN BRIEF

Out of BOC Group's 47,000 shareholders, over 10,500 (22 per cent) elected to take the scrip alternative instead of cash on the final dividend for the year ended September 30, 1983—the alternative offered one new share for every 85 shares already held.

In total, shareholders made elections in respect of 17,158,525 shares (4.4 per cent of the total number in issue) resulting in the issue of 201,865 new shares. The new investment by shareholders has resulted in a saving for the group of £875,000, being £613,000 in respect of dividends and £262,000 in respect of ACT.

* * *

Pre-tax profits of Scottish Metropolitan Property increased from £3.07m to £3.29m for the six months to February 15 1984. The net interim dividend of this property owning investor has been lifted from 1.5p to 1.6p.

In the last full year a final of 2p was also paid. Along with the interim results the directors say that they anticipate being able to recommend an increase in the final payout for the current year.

Net revenue from properties for the six months rose from £3.26m to £3.47m to which other income added £516,000 (£443,000).

Tax amounted to £1.47m (£1.49m).

* * *

County Bank First Business Expansion Fund has invested 78.5 per cent of the fund in the tax year to April 5 1984.

When County Bank launched the Fund last November it was stated that the objective would be to invest all money subscribed by April 5 1985 with as much as practicable invested by April 5 1984. In the event, £1.9m has been invested to date in seven companies.

Strong showing from Deelkraal

BY GEORGE MILLING-STANLEY

THE CONTINUED depreciation of the rand against the U.S. dollar helped South Africa's gold producers once again in the three months to the end of March, the latest figures from the mines in the Consolidated Gold Fields group show.

The mines, the first in the current quarterly reporting season, managed a small increase in overall net profit to R169.5m (£95.2m), against the R159m for the December quarter.

This rise was attributable largely to the fact that the continuing weakness of the South African currency relative to the U.S. dollar meant that the mines received a higher price in the all-important local currency, even though the gold price in dollar terms was broadly unchanged between the two periods.

In addition, the mines made substantial sums on the money markets during the latest period, a time when the group's gold producers are traditionally more than usually liquid.

The mines have moved quickly to reflect the tax changes announced in last month's South African budget, which raised the surcharge payable by gold and diamond mines from the previous 15 per cent to 20 per cent.

This change, and alterations in company tax rates, which affect the tax on non-mining income, added R19.8m to the total tax bill for the first nine months of the current financial year to June 30.

The star performer of the group was the young Deelkraal, with profits up sharply at R9.35m from the previous quarter's R3.82m. This was achieved with the help of a jump in recovered grade to 5.1 grammes of gold per tonne, against 4.6 grammes.

This, combined with a small increase in mill throughput, led to higher gold production of 1,813.4 kilogrammes, up 15 per cent on the previous period.

In addition, Deelkraal received R1.17m in loss of profits insurance, relating to last November's underground fire which reduced gold output slightly.

Apart from the strong showing from Deelkrall, the best performances among the mines in the Gold Fields group came from the two better-quality mines, Driefontein Consolidated and Kloof. This is as expected at a time when there has been little help from the gold price.

Both the East and West sections of the big Driefontein complex maintained the higher gold grades at which they had been mining in response to the lower gold price during the December quarter, and, with the help of the improvement in the gold price in rand terms, the operation produced higher net profits of R93.44m, up around 8 per cent.

Like Deelkraal, Kloof also received a payment under its loss of profits insurance in respect of a fire last November, although here the payment was only of R800,000.

Elsewhere in the group, the older and more marginal mines generally returned lower profits, with the exception of Venterspost. This operation, helped by a slight increase in the gold grade, posted better profits, even though the mine reversed the previous quarter's credit of R543,000 from the state assistance scheme pending a final decision on the scheme's future from the authorities.

Further, Venterspost was able to overcome the adverse effects of a fire which caused a small loss of production, and the weakness in the market for pyrite, which saw the contribution from this source fall from R223,000 in the December quarter to just R93,000. Sales of pyrite have been stopped until the market improves.

	Mar qtr R000	Dec† qtr R000	Sept† qtr R000
Deelkraal	9,351	3,823	4,572
Doornfontein	13,002	15,080	10,976
Driefontein	93,443	86,623	80,317
Kloof	41,187	38,799	38,202
Libanon	9,859	*12,466	11,331
Venterspost	2,298	1,681	2,552
Vlakfontein	371	545	513

*After receipt of state assistance.
†All figures re-stated to reflect changes in taxation.
‡After repayment of state aid.

Wankie earns more but passes its dividend

FOR the first time in many years the Anglo American Corporation group's Wankie Colliery in Zimbabwe is passing its dividend.

Ironically, earnings in the past year to February 29 picked up sharply in the second half to come out at Z$3.84m (£2.38m) compared with Z$2m in 1982-83 when there was an exceptional credit for coal stocks of Z$9.9m.

Earnings for the latest, dividendless, year equal 9.1 cents per share. This on the capital boosted to 42.2m shares by the issue in December 1982 of 16.89m new, fully and partly-paid, "A" shares to the Zimbabwe Government.

Wankie's decision not to pay a dividend for the past year has been prompted partly by the need to conserve finances for loan repayments and interest of some Z$21m due in the current year and partly by the problems at Zimbabwe's new Hwange power station.

The colliery's opencast expansion has been completed on schedule and within budget. It is thus ready to meet the demand for coal from Hwange, as anticipated in the agreement with the Electricity Supply Commission, together with the expected demand of its other local and export customers.

Such are the problems at Hwange, however, that the power station is not using any coal at the moment and this situation is likely to continue throughout April and, possibly, May.

So Wankie must assume that its coal deliveries this year to the ESC will be significantly reduced compared with the expectations on which the colliery's expansion programme was based.

Wankie adds that it will be necessary to make financial adjustments in terms of the coal price agreement. Wankie shares were unchanged at 14p after the announcement yesterday.

BIDS AND DEALS

Hanson U.S. bid rebuffed

Hanson Trust, the UK industrial group, was rebuffed by the board of U.S. Industries for the second time yesterday after raising its offer for the Connecticut-based company to $23 a share (£16).

U.S. Industries said that a special committee of the board, set up to consider the sale of the company, had recommended that it should enter into negotiations on a rival leveraged buyout plan.

Under these proposals, Kelso and Company, a New York investment bank, is offering $24 a share for U.S. Industries in a deal which would give the management of the company a significant equity stake.

The committee said that it had considered the revised offer from Hanson Industries the U.S. subsidiary of Hanson Trust, which had raised its initial bid from $22 a share.

Hanson said that its offer, which values U.S. Industries at $469m (£328m), would be subject to normal conditions, but not conditional on any minimum number of shares being tendered. It also had adequate internal resources to fund the offer, and had received commitments from several financial institutions.

The battle for U.S. Industries, a diversified group with interests in industrial products for the motor industry, building materials, lighting fixtures, furniture, furnishings and clothing, was sparked by the launching of the leveraged buyout proposals in February. In the initial bid, Kelso offered $20 a share for the company, but this has now been revised since the appearance of Hanson's rival proposals last week.

In a normal leveraged buyout, the existing management retains its position in return for putting up some equity capital. Friendly buyouts of this kind have become commonplace in the U.S. over the last year, and it has also becomea normal procedure to set up an independent committee of directors to consider rival agreements.

For shareholders, one consideration in bid battles of this kind is that a leveraged deal which requires large amounts of debt, often takes longer to mount because of the complex financing involved.

Petrocon forecasts £0.7m

In a letter that will accompany the document giving details of the offers for Drilling Tools Holdings and an acquisition by Swire Petrocon, the board of Petrocon Group state that during the second half of 1983, results benefited from an increase in activity in the UK and they estimate that pre-tax profits for 1983 will amount to not less than £700,000.

The board expects to recommend a final of 2.5p net making a same-again 3.75p total.

Pre-tax surplus of Drilling Tools, for the six months ended September 30 1983, amounted to £15,710.

The board of Drilling estimates that profits, before tax, write-off of goodwill and expenses relating to the offers, for year ended March 31 1984 will amount to not less than £250,000, which compares with £1.23m for the previous year.

Petrocon intends to integrate Drilling Tools rental activities in the UK with those of Offshore Drilling Supplies under a new name, Petrocon Drilling Tools.

Swire Petrocon, an associate jointly owned with Swire Group, yesterday completed the acquisition of certain of the assets of United Oilfield Rental Group of Hong Kong, a subsidiary of Private Investment Company of Asia.

This transaction includes all the fixed assets of United Oilfield Rental Group in Thailand and Malaysia, as well as other selected equipment in Singapore. The assets consist mainly of rental tools which will complement the range of drilling equipment already owned by Swire Petrocon.

In addition, Swire Petrocon has acquired United Oilfield Rental Group's operating subsidiary in Thailand, whose main business comprises an oilfield machine shop at Sattaheep.

The assets acquired had a book value at December 31 in excess of U.S.$2.7m, in return for which Pica is to take a 10 per cent equity holding in Swire Petrocon.

As a condition of the transaction, the Enterra Corp., of the U.S., has exercised its right to acquire a shareholding in Swire Petrocon in consideration for which it has agreed to transfer Rental Tools to the value of U.S.$4m to Swire Petrocon.

Following completion, Petrocon, the Swire Group and Enterra each will hold 30 per cent of Swire Petrocon, with Pica holding the remaining 10 per cent.

NEI to acquire DAC

Northern Engineering Industries has agreed with BICC to purchase DAC a manufacturer of intrinsically safe and flameproof communication and control equipment for application underground within the mining industry, together with certain designs and assets of GBS Harrison. This company is associated with remote control and monitoring equipment, also used within the mining industry. The total value of the assets to be acquired is approximately £2m.

DAC employs 200 people in Burton on Trent and NEI intends to continue operations there, as a business unit of NEI Mining Equipment—currently comprising Baldwin & Francis, Reyrolle Belmos, Mackley Pumps and Clayton Equipment.

NEI Mining Equipment also promotes the sale of other NEI equipment such as flameproof motors and transformers, winders and haulages and surface switchgear to the mining industry.

This acquisition which is in line with NEI's overall strategy in strengthening its involvement with the mining industry, will enable NEI Mining Equipment to play a significant role in the growing development of surface to mineface communications and in the improvement of equipment control and monitoring procedures, both at home and overseas.

BIDS AND DEALS IN BRIEF

West Midlands Enterprise Board and the Metropolitan Borough of Sandwell have combined to invest £200,000 in West Bromwich based R.B.M. (Holdings), portal framed buildings, plastics and traffic signs company.

* * *

The directors of Amalgamated Estates intend to continue the rationalisation commenced last year with a view to improving the quality of the company's portfolio and further reducing its overheads.

Directors also believe that the company is in a position to investigate opportunities to broaden and strengthen its equity base by making appropriate acquisitions.

The company has been notified that as from April 4 last Doveabufius is interested in 2.2m ordinary shares.

* * *

Shareholders of The Birmingham Mint have approved resolutions for the acquisition of the electrical contacts business of the Sheffield Smelting Company and the increase in the borrowing powers.

Hazlewood in £3.75m move into new areas

Hazlewood Foods is expanding out of the pickles and sauces business with two acquisitions worth £3.75m, payable in paper.

They are Beaverlac (Fine Foods), a Hull-based manufacturer of heavy fruit cakes, and Crispa Produce, a grower of cress and bean sprouts.

Beaverlac, with net assets of £113m, made £0.45m on sales of £2.05m in the 10 months to February 4 1984. Crispa, which has net assets of £1.33m, earned £0.33m on sales of £5.33m during 1983.

Both acquisitions—for £1.74m and £2.01m respectively—will be satisfied by the issue of Hazlewood shares which will not rank for a final dividend of 6.75p net for the year ended March 31 1984 just announced. This raises the total for the year to 11.5p.

The directors estimate that Hazlewood's pre-tax profits for the year increased by about 48 per cent to at least £3m. After tax and minorities the net profit is estimated to have increased from £1.83m to £2.6m, giving earnings per share of not less than 36.7p (26.7p).

Beaverlac and Crispa will operate as separate profit centres under the control of their existing managements.

The acquisitions are subject to shareholders approval at an extraordinary general meeting on April 30.

Hazlewood's shares rose 20p to 590p.

Hawley comes up with a reshuffle

BY CHARLES BATCHELOR

Mr Michael Ashcroft has reshuffled parts of his Hawley Group cleaning, travel and home improvement empire in four deals announced yesterday.

Hawley yesterday bought about 10.5m shares in Kean and Scott, its home improvement subsidiary, at 60p each. Its offer will remain open today with the total target for purchases of 12.5m. This would take the Hawley holding to 75 per cent from 68 per cent.

K & S's shares rose 7p to 61p yesterday while Hawley firmed 1p to 86p ex dividend.

Hawley also yesterday bought 1.86m shares in Black & Edgington, its camping equipment and tour operating subsidiary at 110p per share. This achieved Hawley's aim of raising its stake to 75 per cent from 50.1 per cent.

B & E's shares rose 8p to 112p.

In a third transaction Hawley said that Finarab Investment Company, a Netherlands Antilles-based company owned by Saudi Arabian and other Middle East interests, had bought 600,000 shares (or 14.75 per cent) of I. D. & S. Rivlin, the household textiles and kitchen and bedroom furniture supplier. Rivlin's shares rose 12p to 99p.

This share stake was composed of 287,500 shares from Hawley and 312,500 from British Car Auctions. Hawley and BCA have also agreed to vote their remaining combined holding of 15.5 per cent as Finarab may direct for 15 months or the period for which the shares are held, whichever is the shorter.

The Hawley/BCA stake in Rivlin has been built up since Rivlin came to the USM in April 1983 after a five-year suspension from Stock Exchange trading.

Mr Ashcroft said: "These deals will enhance our earnings per share while keeping our options open. The purchases of K and S and B and E shares are a good investment. Why should we not buy further shares in the companies we know best? We have gone as far as we wish to go."

The fourth deal to be announced yesterday was the sale of B&E's tent hire activities to its management for £876,000. Black & Edgington Hire has been taken over by Black & Edgington Industries, a newly-formed company set up by Mr Alistair MacAdam and Mr Jim Smith, Hire's executive directors. Midland Bank and Capital Ventures provided financial support.

Hire incurred pre-tax loss of £181,000 on turnover of £2.4m in 1983. It had net assets of £476,000 at December 31.

B&E has also agreed to treat outstanding debt of £1.1m of Hire as a secured interest-bearing loan repayable no later than 1990.

Readicut chairman rejects Joe Hyman

A WRITTEN request by Mr Joe Hyman for "immediate" appointment as a director of **Readicut International** has been rejected by Professor Roland Smith, who recently took over as chairman of the West Yorkshire handicraft, textile and carpet manufacturer.

Mr Hyman, the group's largest shareholder, disclosed last month that he controlled 15.6 per cent of the Readicut equity. He is a former chairman of the Viyella textiles group.

Professor Smith, replying by letter to Mr Hyman said: "I must make it clear to you and your advisers that your shareholding in Readicut International does not, of itself, justify representation on the board.

"Therefore, the formal request which you have made in your letter dated April 6 for appointment as a director of Readicut International, and to take effect immediately, is not acceptable to me or to my board," he added.

BSC sale to Babcock

Babcock International has agreed in principle to acquire **Pipework Engineering (PED)**, a pipework fabricator, from the **British Steel Corporation.**

PED employs approximately 900 people in the UK. In the year to March 31, 1983, it had a trading profit of £1m on turnover of £34m.

Babcock said PED would become part of its Babcock Power subsidiary and would complement the group's pipework fabrication activity provided mainly for power stations and process plant.

Becker and Macpherson battle on

THE SWEDISH paints group **Becker** has rejected defence arguments over its £13.6m cash bid for the UK Cover Plus paints manufacturer **Donald Macpherson Group.**

In a letter to Macpherson shareholders just days before the bid is due to expire—at 3 pm tomorrow—Mr Hans Miver, Becker's president, claims that Macpherson chairman Mr Rex Chester ignored a number of central issues in his letter of April 5.

He says that Macpherson's recent losses make it poorly placed to compete in European markets and that Mr Chester's statement that "gearing will deteriorate even further this year" raises the question whether the company has a sound base to operate in a competitive international environment.

He also says that Mr Chester overlooked the commercial merits of Backer's offer, which included the provision of increased volume, new technology, access to Beckers' European network and resources for further investment.

Mr Miver believes that the offer "fully reflects" Macpherson's value and is in the best interests of all concerned.

Mr Chester yesterday responded by describing Mr Miver's overall reaction to his defence as "rather feeble" and making "no impact on our defence platform whatsoever."

He said that the company's gearing was "well under control and we don't expect it to be significantly higher this year."

He added: "We think we're already competitive and our market share supports that. Our current rationalisation will make us even more competitive.

"Becker's own extremely high level of gearing makes it questionable that they can finance this acquisition or any further investment."

He described part of the statement as "unspecific and meaningless jargon" and concluded: "It is a great deal for Becker but does nothing for Donald Macpherson shareholders."

BIDS AND DEALS IN BRIEF

Mr Jim Raper's St Piran group has raised its stake in **Benjamin Priest**, the West Midlands engineering concern, to 7.24 per cent from the 5.76 per cent holding disclosed last week. It now owns 1,225,000 shares.

Priest cut its pre-tax loss from £324,000 to £160,000 in the six months to September 30, 1983.

* * *

Following agreement with American Seating Company, **Wagon Industrial Holdings** has acquired the remaining 25 per cent interest in Amseco for £1.5m and now owns 100 per cent.

* * *

Sheffield Brick has sold the business and certain assets of its manufacturing subsidiary **S.W. Fabrications** for £400,000 cash.

* * *

Vantona Viyella's offers for **F. Miller (Textiles)** have been accepted in respect of 27,591,209 ordinary (95.8 per cent) and 485,452 preference (67.52 per cent). The ordinary offer is now unconditional as to acceptances and remains open.

* * *

The following proposed mergers are not being referred to the Monopolies Commission: H. Samuel and James Walker Goldsmith & Silversmith; Vantona Viyella and F. Miller (Textiles); Evered Holdings and Brockhouse.

* * *

Three City institutions, Equity Capital For Industry, County Bank and Grosvenor Development Capital, have invested £670,000 in **Visions**, the fast-growing video-editing company. The syndicate has obtained 20 per cent of the ordinary capital in through a private placement.

Visions specialises in post-production video-editing. Its strong growth has been closely associated with the demand for "pop promo" video and sub-contracted Channel 4 productions.

SHARE STAKES

Jos Holdings — Following further market purchases, discretionary clients, non-discretionary clients and associates of John Carrington and Co. now hold collectively 1,275,075 ordinary shares (20.7 per cent).

C. A. Sperati — Cyril L. Barnard has acquired 6.6 per cent of the ordinary capital.

LCP Holdings — Mr D. M. Rhead exercised his option to acquire 68,000 ordinary and has also sold the same number of shares.

Heward and Wyndham — C.A.B. St. George has acquired a further 60,000 ordinary and is now interested in 300,000 ordinary shares (7.08 per cent).

M.M.E. Facilities — Best Holdings (Jersey registered company) has acquired 650,000 shares (7 per cent).

Sumrie Clothes — Harvey M. Ross has increased his holding by 30,000 shares to 652,000 (26.1 per cent).

Barratt Developments—Kuwait Investment Office has an interest in 8.95m ordinary shares (5.04 per cent).

Combined English Stores — Following recent purchases, Quantum Funds NV of Curacao holds 3.75m ordinary shares (7.06 per cent).

Evered cash alternative raised for Brockhouse

THE LEAP-FROGGING battle to acquire **Brockhouse**, the loss-making West Midlands engineering, hotted up last night when **Evered Holdings** — which on Friday topped the cash bi dby rivals **Caparo Indsutries**—incrasd its own altrnaiv from 53.3p o 57.5p a shar.

Evered had earlier bought 20,000 **Brockhouse** ordinary shares at the increased price which, according to the Takeover Code, automatically increased the cash offer.

The term sof the principal equity bid comprise 17 Evered new ordinary shares for every 30 existing Brockhouse ordinary shares. At Evered's share price of 110p, up 2p, the paper offer values each Brockhouse share at 93.5p, giving a market capitalisation of £16.15m.

Now there is every likelihood that this latest bid will be topped again. Mr Swraj Paul, chairman o fCaparo, said last week that the company would possibly have more to say today.

Caparo had earlier amended the terms of its own cash alternative, originally worth 46.8p, by acquiring 225,000 Brockhouse shares in the market at 53.5p. That purchase also triggered an automatic higher bid.

The battle for Brockhouse started in January when Brockhouse rejected an offer from Caparo to inject £5m of new money into th eailing company in return for a 61.7 per cent stake. The proposal was turned dow nafter it became known that Evered was prepared to make an offer worth £7.2m.

Th leap-frogging subsequenly continued with an offer worth £9.2m from Caparo.

Brockhouse's share price last night rose 4½ to 58p.

SECTION III – INTERNATIONAL MARKETS
FINANCIAL TIMES
Tuesday April 10 1984

Zimbabwe reaps a crucial tobacco crop, Page 42

WALL STREET

The discount rate shadow dominates

FINANCIAL MARKETS on Wall Street opened yesterday beneath the shadow of the increase in the Federal Reserve's discount rate, announced after the close of trading on Friday, *writes Terry Byland in New York.*

The Fed's move had not been unexpected and share prices opened firmer, helped by initial improvement in the bond market; but stock prices began to weaken at midsession, reflecting a continued concern over the outlook for interest rates and continued firmness in the federal funds rate.

By 3.30pm, the Dow Jones industrial average was up 1.26 at 1,133.48. Trading was moderate, but most of the market leaders were easier.

The bond market also made a firm start as Friday's late rally was maintained. Retail interest was cautious, however. While there was some relief that the Fed had lifted its discount rate by only half a point, there were also fears that interest rates might continue to advance, over the short term.

At midsession, Dr Henry Kaufman of Salomon Brothers, voiced doubts over the outlook warning that bank lending rates could move as high as 13.5 per cent by the end of the year. Bond prices gave up early gains and began to turn easier as support faded.

The stock market was unsettled by the disclosure that U.S. airline passenger traffic – often seen as an important indicator of business activity – fell during the first quarter. The static unemployment trend was also seen as a possible indication that the pace of economic recovery is slowing.

Among motor issues, the latest sales trends have been received with some coolness in the stock market. Ford Motor dipped $⅝ to $33½, and General Motors at $62⅞ showed a similar fall. Chrysler at $22½ was $⅛ better, reflecting a partial recovery from last week's fall after the number three car maker disclosed lower sales for the end-March period.

IBM held unchanged at $109½, as did General Electric at $51¾. Other leading stocks to hold on to pre-weekend price levels included NCR at $105¼ and AT&T at $15⅝.

But National Semiconductor was $⅝ off at $13 in busy trading – the stock topped the active list at one time. Teledyne, at $157¼ lost $2.

Among takeover stocks, U.S. Industries, which said it had received a bid of $24 a share from Kelso, to rival a $22 a share offer from the U.S. subsidiary of Hanson Trust of the UK, jumped $⅛ to $22⅞.

Carter Hawley Hale at $28½ was unchanged while awaiting further moves in the bid offer from The Limited of Ohio.

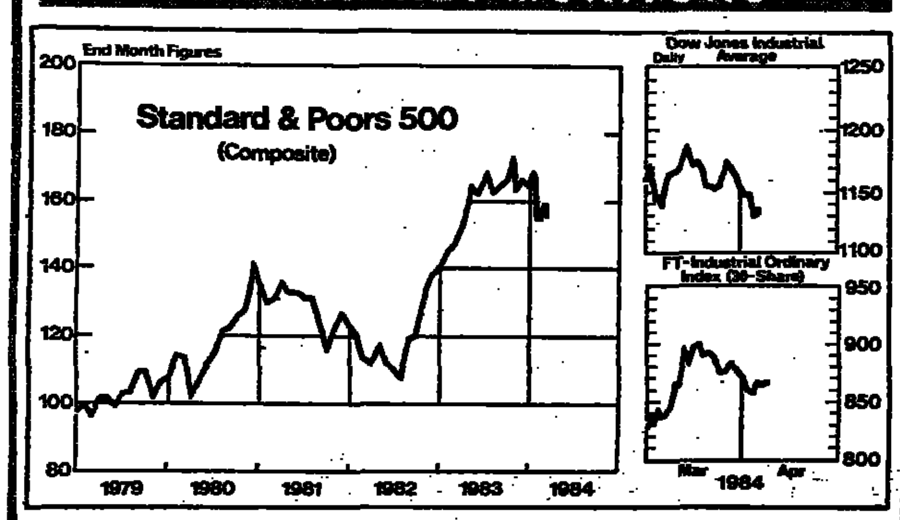
Warrants in Golden Nugget, the gaming group, added $⅛ to $4 in active turnover following the latest details of business on the Atlantic City casinos.

The disclosure that revenue for the second quarter will show a downturn brought some heavy selling of stock in Tandem Computers on the Nasdaq over-the-counter market where the shares lost $6¾ to $19¼. Analysts lowered their earnings forecasts for the company in the light of the news.

In the credit markets, prices tried to move up at first when the federal funds rate, which has been the centre of market attraction over the past week, traded at 10¼ per cent. But the rate later moved up to 10 7/16 per cent and this, together with Dr Kaufman's warnings on interest rates, discouraged the credit sector.

The key 2013 long bond traded at 96 15/32, a net gain of 7/32. Treasury bill rates dipped smartly on relief that the discount rate had risen by only half a point. The three-month discount dipped 13 basis points to 9.61 per cent, and the six-month eight basis points to 9.77 per cent.

KEY MARKET MONITORS



STOCK MARKET INDICES

	April 9	Previous	Year ago
NEW YORK			
DJ Industrials	1133.69*	1132.22	1124.71
DJ Transport	486.21*	484.16	509.37
DJ Utilities	125.14*	125.43	124.31
S&P Composite	155.63*	155.48	152.85
LONDON			
FT Ind Ord	867.2	865.4	683.9
FT-SE 100	1096.7	1096.3	910.3
FT-A All-share	516.84	516.21	428.22
FT-A 500	559.24	557.82	465.55
FT Gold mines	667.3	655.5	618.0
FT-A Long gilt	10.09	10.12	10.44
TOKYO			
Nikkei-Dow	10890.7	10914.73	8435.37
Tokyo SE	853.34	856.61	609.38
AUSTRALIA			
All Ord.	758.6	755.1	529.7
Metals & Mins.	540.7	533.7	489.4
AUSTRIA			
Credit Aktien	54.93	54.9	52.7
BELGIUM			
Belgian SE	151.15	150.59	118.29
CANADA			
Toronto Composite	2316.8*	2315.9	2159.3
Montreal Industrials	417.31*	417.47	366.44
Combined	393.83*	393.36	359.77
DENMARK			
Copenhagen SE	183.25	183.84	130.86
FRANCE			
CAC Gen	169.5	167.9	116.8
Ind. Tendance	108.1	108.8	73.8
WEST GERMANY			
FAZ-Aktien	342.88	345.12	304.48
Commerzbank	1005.9	1012.4	916.4
HONG KONG			
Hang Seng	1070.27	1064.32	1034.17
ITALY			
Banca Comm.	211.54	215.8	204.46
NETHERLANDS			
ANP-CBS Gen	159.5	160.3	127.1
ANP-CBS Ind	129.0	129.4	108.3
NORWAY			
Oslo SE	268.26	266.14	157.73
SINGAPORE			
Straits Times	998.12	994.36	879.3
SOUTH AFRICA			
Golds	n/a	1008.6	821.6
Industrials	n/a	1053.4	840.5
SPAIN			
Madrid SE	closed	116.43	116.0
SWEDEN			
J & P	1551.22	1565.61	1265.84
SWITZERLAND			
Swiss Bank Ind	370.1	370.4	313.6
WORLD	April 6	Prev	Year ago
Capital Int'l	185.6	186.3	165.8

GOLD (per ounce)

	April 9	Prev
London	$382.75	$381.00
Frankfurt	$382.50	$380.25
Zürich	$381.50	$380.50
Paris (fixing)	$381.61	$378.48
Luxembourg (fixing)	$381.25	$379.55
New York (April)	$381.80*	$381.20

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR April 9	U.S. DOLLAR Previous	STERLING April 9	STERLING Previous
$	–	–	1.4315	1.4285
DM	2.62	2.622	3.7525	3.7475
Yen	225.25	225.3	322.75	322.0
FFr	8.0575	8.07	11.53	11.525
SwFr	2.172	2.175	3.11	3.11
Guilder	2.955	2.958	4.2325	4.2275
Lira	1620.5	1623.5	2319.5	2318.5
BFr	53.47	53.52	76.55	76.45
C$	1.27675	1.28025	1.8295	1.828

INTEREST RATES

	April 9	Prev
Euro-currencies (3-month offered rate)		
£	8 13/16	8 11/16
SwFr	3¾	3 11/16
DM	5⅞	5⅞
FFr	13⅞	13⅞
FT London Interbank fixing (offered rate)		
3-month U.S.$	10⅞	11
6-month U.S.$	11⅛	11¼
U.S. Fed Funds	10⅝*	10⅛
U.S. 3-month CDs	10.45*	10.50
U.S. 3-month T-bills	9.65*	9.85

U.S. BONDS

Treasury	April 9* Price	April 9* Yield	Prev Price	Prev Yield
11⅞ 1986	100	11.50	100	11.50
12⅞ 1991	99 23/32	12.42	99 17/32	12.41
11.75 1993	96⅜	12.46	96	12.47
12 2013	96½	12.49	96⅜	12.49
Corporate				
AT&T				
10⅜ June 1990	90⅞	12.85	91	12.50
3⅜ July 1990	71	10.30	71	10.30
8¾ May 2000	71⅞	13.05	71⅞	13.05
Xerox				
10⅞ March 1993	88	12.95	88⅞	12.85
Diamond Shamrock				
10⅞ May 1993	87⅞	13.10	87⅞	13.05
Federated Dept Stores				
10⅞ May 2013	81	13.20	81¼	13.15
Abbot Lab				
11.80 Feb 2013	90	13.50	90	13.50
Alcoa				
12⅞ Dec 2012	90⅞	13.60	91	13.50

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
June	66-08	66-22	66-05	66-10
U.S. Treasury Bills (IMM) $1m points of 100%				
June	90.01	90.05	89.96	89.99
Certificates of Deposit (IMM) $1m points of 100%				
June	89.11	89.15	89.07	89.10
LONDON				
Three-month Eurodollar $1m points of 100%				
June	89.03	89.08	88.99	89.00
20-year Notional Gilt £50,000 32nds of 100%				
June	109-01	109-04	108-27	108-22

COMMODITIES

(London)	April 9	Prev
Silver (spot fixing)	641.55p	640.40p
Copper (cash)	£1082.00	£1085.25
Coffee (May)	£2082.50	£2093.50
Oil (spot Arabian light)	$28.42	$28.42

LONDON

Calm start to a freer era on way

THE FIRST move towards a new deregulated era for the London stock markets passed with barely a ripple yesterday, with the elimination of fixed commissions on overseas securities apparently doing nothing to boost volume.

A cautious start was made to a three-week trading account, awaiting Wall Street's reaction to the rise in the U.S. discount rate.

Discount houses flared into prominence, but retail banks weakened on fears of possible fund-raising – aroused by projections of the cost of extra taxes through the phasing out of capital allowances.

The irregular trading pattern of blue chips was borne out by the FT Industrial Ordinary index, 1.8 up at 867.2. Of its 30 constitutents, 11 moved higher, 11 went lower and the remainder closed unchanged. Help came from BICC at 265p and Plessey at 242p, each 10p, while Glaxo reflected satisfactory half-year results with a 22p gain at 845p.

Small support emerged for government securities. Lower coupon long-dated stocks gained ½ in places.

Chief price changes, Page 36; Details, Page 37; Share information service, Pages 38-39.

HONG KONG

A ONE-POINT weekend increase in local prime rates was met with equanimity in Hong Kong, as was a profits and dividend setback from Cheung Kong.

The property major held steady at HK$9.55, and the finish overall was firm after a shaky start. Hongkong Land gained 7 cents to HK$3.57 and Hongkong and Shanghai Bank 5 cents at HK$9.25.

Hong Kong Electric slipped 40 cents to HK$6.50 as a debut offering from Shell Electric was 30 times oversubscribed.

SINGAPORE

SELECTIVE Singapore buying support gave gains a two-to-one lead over declines, and a 3.76 rise in the Straits Times industrial index brought it nearer to regaining the 1,000 mark at 998.12.

General Corporation, which as volume leader accounted for 2.4m of the total 10.8m unit turnover, picked up 10 cents to S$3.20 on persistent rumours of a scrip issue ahead, as well as strong support from local broker Alfa-Pacific.

Elsewhere, Straits Trading added 10 cents to S$6.05, but Malayan Banking slipped that amount to S$10.20.

AUSTRALIA

FIRMNESS in metal values encouraged a quietly better Sydney result, aided also by stock shortages and the allure to overseas investors of a lower Australian dollar.

BHP, initially weaker, finished steady at an ex-rights A$14.50, while CRA put on 12 cents at A$6.08 and Western Mining 7 cents at A$4.35.

A mixed industrial sector showed building material issues lower, with 5-cent falls for Pioneer at A$1.62 and Boral at A$3.55, but demand for property developers. Lend Lease rose 10 cents to A$4.90.

SOUTH AFRICA

A GOOD day for Johannesburg golds featured lively interest in cheaper-priced and speculative issues. One of these, Egoli, headed the actives list and advanced 18 cents to R2.15, while Witwatersrand Nigel added 25 cents to R3.90.

Gold Fields of SA jumped 75 cents to R28.50 on well received quarterly results from group mines. Amgold held at R150.

Among dull industrials Darling and Hodgson, a construction concern, was actively dealt and moved up 25 cents to R8.75 on speculation about closer links with Blue Circle.

CANADA

A MIXED and indecisive Toronto session showed weakness most in evidence among golds as early strength was eroded. Properties and pipelines were firm but other areas flat.

Banks were sought in an otherwise featureless Montreal.

TOKYO

Margin debt prospects are daunting

AN UNCERTAIN outlook for Wall Street and a fast-swelling Japanese margin debt left investors on the sidelines in Tokyo yesterday, *writes Shigeo Nishiwaki of Jiji Press.*

Chemicals, non-ferrous metals and pharmaceuticals were sought, although trading was sluggish with only 290.17m shares changing hands compared with Friday's 554.86m.

The Nikkei-Dow market average rebounded for the first time in four session, though, closing up 56.98 at 10,890.70.

Investors and securities houses were awaiting Wall Street's response to the Federal Reserve's discount rate rise. Buying interest was further daunted by speculation that margin debt on Japan's three exchanges might have increased by about Y90bn last week.

In this lacklustre trading session, Sumitomo Metal Mining attracted buyers on news of prospective gold mine development, gaining Y50 to Y1,790. Mitsubishi Metal rose in sympathy by Y37 to Y727.

Vehicle Issues also attracted buying interest on strong sales and anticipation of the removal of voluntary restraint on vehicle exports to the U.S.

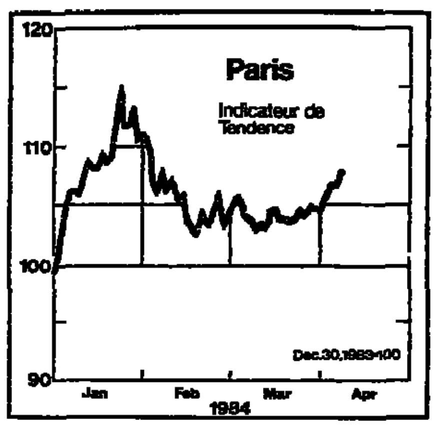
In the chemical sector, Showa Denko climbed Y8 to a high of Y257, surpassing its previous Y253 peak of April 6. The issue benefited from hopes for a return to recurrent profits this year and from greater emphasis on production of fine chemicals. Mitsui Toatsu Chemicals also gained Y4 to Y182, and was volume leader on 14.21m shares.

Pharmaceuticals advanced almost across the board. Green Cross rose on the news of its joint development of new drugs with Taisho Pharmaceutical, rising sharply by Y130 to Y2,080. Taisho Pharmaceutical and Yamanouchi Pharmaceutical also firmed, Y61 to Y1,050 and Y60 to Y1,410 respectively.

Among blue chip stocks, Hitachi added Y7 to Y939 and Sony Y150 to Y3,680 in thin trading.

The bond market was drab as institutional investors and securities houses were preoccupied with fears of another U.S. discount rate boost soon.

The yield on the benchmark 7.5 per cent long-term government bonds due in January 1993 eased one basis point to 7.02 per cent, but the drop was not considered to reflect market forces.



EUROPE

Motivation has local derivation

MOTIVATION for the European bourses yesterday came largely from local stimuli, although in some cases a wish to wait for Wall Street to adjudge the impact of the increase in the U.S. discount rate held exchanges back.

Active **Paris** trading was attributed to the government forecast of an 11 per cent rise in real terms of industrial investment this year after 5 per cent drop in 1983. Expectations of a fall in the call money rate also firmed sentiment and the Indicateur de Tendence rose 1.3 to 108.1.

Setbacks, however, did appear. The approval of Sumitomo Rubber's bid for French Dunlop operations, which is likely to boost competition in the domestic tyre market, hit Michelin with a FFr 10 drop to FFr 900.

Moulinex was marked 70 centimes higher to FFr 97.50 in response to its steady increase in 1983 net earnings although operating profits had declined.

In constructions, Bouygues continued its recent oscillations with a FFr 11 fall to FFr 665, while Dumez added a further FFr 5 to FFr 720, thereby extending last week's gains to FFr 30.

Overall, banks and financials were firm, while foods and cars improved with BSN up FFr 33 to FFr 2,570 and Peugeot FFr 4.50 higher at FFr 233.50.

A 1 percentage point cut to 12 per cent in short-term interest rates proved sufficient impetus for **Brussels** to reach a new high with the Stock Exchange index 0.56 up at 151.15.

Most investors appeared to have ignored Socialist trade union calls for another one-day strike today in protest at government plans to cut real wages and social security benefits. Petrofina put on BFr 70 to BFr 7,570, a new 1983-84 high, while Electrobel approached its high for the period with a BFr 80 rise to BFr 6,580.

Very thin **Frankfurt** trading was aggravated by foreign selling which took the Commerzbank index 6.5 lower to 1,005.9. Domestic investors, concerned over the current 35-hour working week dispute in industry, confined their selling within moderate limits, however.

Lufthansa suffered one of the largest declines with a DM 5.10 fall to DM 157.90, while in a generally weaker banking sector Deutsche Bank fell DM 3 to DM 371.50.

Among car makers, BMW slipped below the DM 400 level for the first time in almost a month with a DM 4.50 decline to DM 399, and Daimler-Benz continued weaker with a DM 3 setback to DM 552.

Bayer rose DM 1 to DM 169 after sharply higher pre-tax profits, while Metallgesellschaft lost 30 pfg to DM 232.20 despite its strong earnings turnround. Hochtief rose DM 10 to DM 520.

Bonds were firm as the Bundesbank sold DM 56m in public paper compared with Friday's DM 41.6m.

A slight rise in Dutch inflation and the higher U.S. discount rate turned **Amsterdam** stocks lower although domestic bonds gained about 20 basis points.

Internationals eased, banks were lower, although insurers performed well with a Fl 1.80 rise to Fl 129.80 for Aegon and a Fl 1 gain to Fl 154 for Amev.

Ahold's Fl 4.50 drop to Fl 195 was attributed to institutional selling.

Steady selling pressure undermined **Milan** while a slow retreat was in evidence in **Stockholm.**

Zurich was closed for a local holiday, but indices were calculated from other Swiss centres. **Madrid** observed its usual Monday closure.

Prices at 3pm, April 9

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Closing U.S. share prices were not available for today's edition because of industrial action at the Financial Times' printers in Frankfurt.

Continued on Page 35

AMERICAN STOCK EXCHANGE COMPOSITE PRICES

Prices at 3pm, April 9

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
15¼	12⅝	ALLab	n		21	8	13⅝	13⅝	13⅝	−⅛
4⅝	1¼	ATI				15	1½	1⅜	1⅜	−⅛
64	58¼	ATTFd	n.48e	.8		x94	59⅝	59	59⅛	+¼
12¼	3½	AcmePr				37	3½	d3⅜	3⅛	−⅜
14⅛	8½	Action	s		9	106	13	12¾	12⅞	−⅛
12	6⅝	Acton s	11	13.		38	8	7¾	7⅞	−⅞
6½	1⅝	Aero	wt			10	2⅛	2⅛	2⅛	−⅛
8	2¼	AfmRs			4	1	3	3	3	
30⅞	15⅞	AgRust	s.10	.6	10	20	15½	15⅛	15⅛	
28⅞	15¼	Adobe	.24	1.1	15	123	22½	22⅛	22⅛	−⅛
5⅞	3⅛	AegisCp			18	4089	u5⅞	4⅞	5¼	+⅛
7	4	Aeronca			4	8	5	4⅞	5	+⅛
32½	20¼	AffHsp	.40	1.8	9	7	22⅝	22⅜	22⅝	
17½	9½	AirSc	.06e	.6	7	81	10½	10⅛	10⅛	−⅛
15½	5⅞	AirExp				67	6⅛	6⅛	6⅛	−⅛
6⅛	4	Alamc	n		9	28	5	4⅞	5	+⅛
23⅞	11⅞	AlbaW	.20e	1.8	8	41	11½	d11¼	11¼	−⅜
14⅛	9½	AlmySt		1.5		2	13½	13½	13½	−⅛
10½	5⅝	Aloha	.48r	6.5		1	7⅜	7⅜	7⅜	
28⅞	12⅞	Alphaln	.05	.4	18	28	13½	13⅛	13½	+⅛
2⅞	1⅛	Altex				34	1⅛	1¼	1⅜	+⅛
11-16	⅛	Altex	wt			10	5-16	¼	¼	−1-16
32½	11⅞	AlzaCp				120174	13¼	12⅞	13¼	+⅜
29⅞	11⅞	Amdhl	s.20	1.6	13	2076	13⅞	12¾	12⅞	−⅛
25⅞	9¼	Amedco	.08	.5	18	13	15½	15	15	−⅜
7½	4⅝	AmBlt	.15	2.9	11	20	5⅛	5⅛	5⅛	−⅛
5⅝	2⅛	AmCap			92	27	5⅛	5⅛	5⅛	−⅛
44⅜	15¼	AExp	wt			42	18⅝	18	18¼	−¼
10	5⅞	AIsrael			2	15	6⅛	6	6	−⅛
18⅞	12⅞	AMzeB	.52	3.4	21	4	15⅛	15⅛	15⅛	−⅛
19⅞	1	AMBld				99	1⅜	1¼	1¼	−⅛
38½	27⅛	AMotin	.30	1.0	11	33	30	29¾	30	+¼
62½	47¼	AmPetf	3.20	5.3	12	2	60¼	60¼	60¼	
8⅞	4⅝	AmPlan				60	4⅝	d4½	4⅝	−⅛
20⅞	13¼	APrec	.28	1.4	23	45	20	19⅞	19⅞	−⅛

Continued on Page 36

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Continued from Page 34

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
52¼	39	Weyr	pf2.80	7.0		22	40½	40¼	40¼	−⅛
57¼	46¼	Weyr	pr4.50	9.5		22	47¼	47⅛	47¼	−¼
35⅝	18	WhelPit				79	31½	31⅛	31½	−⅛
38	30¼	WhPit	pf 5	15		z100	33½	33½	33½	+½
57	38½	Whrlpl	2	4.9	9	378	41⅛	40⅛	40½	+1⅛

Continued on Page 36

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AUSTRIA

April 9	Price Sch's	+ or −
Creditanstalt	212	−1
Goesser	326	
Interunfall	407	
Laenderbank	213	−1
Perlmooser	347	
Steyr-Daimler	150	
Veitscher Mag	215	+2

DENMARK

Apr. 9	Price Kr%	+ or −
Aarhus Olie	360	
Andelsbanken	230	−8
Baltic Skand	544	
CopHandelsbank	316	−1
D. Sukkerfab	485	−10
Danske Bank	212xr	−2
East Asiatic	171	−8
Forenede Bryg	885	
Forenede Damp	155	+5
GNT Hldg	482	+1
I.S.S.B.	630	
Jyske Bank	455	
Novo Ind	2,850	
Privatbanken	258	+3
Provinsbanken	255	
Smidth (F)	249	
Sophus Berend	1,125	
Superfos	505	

BELGIUM/LUXEMBOURG

April 9	Price Frs.	+ or −
ARBED	1,600	−20
Banq Int A Lux	5,200	
Bekaert B	5,450	+10
Ciment CBR	3,270	+20
Cockerill	275	+5
Delhaize	5,000	+10
EBES	2,610	+5
Electrobel	6,560	+80
Fabrique Nat	3,100	−15
GB Inno BM	3,255	+25
GBL (Brux)	2,450	−50
Gevaert	3,210	−10
Hoboken	5,160	−40
Intercom	2,055	+5
Kredietbank	7,000	
Pan Hldgs	9,850	
Petrofina	7,570	+70
Royale Belge	8,400	
Soc. Gen. Banq	3,400	−5
Soc. Gen. Belge	1,840	
Sofina	5,820	+70
Solvay	4,075	+5
Tractionel	3,595	−5
UCB	5,100	+10
Vieille Mont	4,340	

FRANCE

April 9	Price Frs.	+ or −
Emprunt 4½% 1973	1,850	−14
Emprunt 7% 1973	9,740	+112
CNE 3%	3,490	+45
Air Liquide	560	+13
BIC	440	+2
Bouygues	665	−11
BSN Gervais	2,570	+33
CIT-Alcatel	1,317	+27
Carrefour	1,744	−16
Club Mediter'n	854	+10
CFAO	641	+5
Cie Bancaire	476.8	+10.8
Cofimeg	231.5	−1
Creusot Loire	39	+2.8
Darty	897	+4
Dumez S.A.	720	+5
Eaux (Cie Gen)	544	−5
Elf-Aquitaine	242	−2
Gen. Occidentale	580	+2
Imetal	79.4	+0.8
Lafarge Coppee	351.9	+4.9
L'Oreal	2,362	+52
Legrand	1,901	+31
Maisons Phenix	300	+5
Matra S.A.	1,442	+17
Michelin B	900	−10
Midi (Cie)	1,448	+8
Moet-Hennessy	1,516	+11
Moulinex	97.5	+0.7
Nord Est	47.9	+0.4
Pernod Ricard	730	+11
Perrier	561	+13
Petroles Fra.	234.5	+1.5
Peugeot S.A.	253.5	+4.5
Poclain	51.1	+0.1
Printemps Au	145.5	+1.5
Radiotech	302	+7
Redoute	1,209	+45
Roussel-Uclaf	870	−10
Schneider S.A.	119.5	+1.3
Sefimeg	272	+6
Skis Rossignol	1,329	−1
Telemech Elect.	1,587	+25
Thompson (CSF)	316	+8
Valeo	299.9	+10.9

GERMANY

Apr. 9	Price Dm.	+ or −
AEG-Telef	93.6	−1.2
Allianz Vers	752	−6
BASF	160.6	−1.5
Bayer	169	+1
Bayer-Hypo	368	−2
Bayer-Verein	336	−3.5
BHF-Bank	280.5	−1.5
BMW	400	−4.5
Brown Boveri	214	−2
Commerzbank	174.7	+0.1
Cont'l Gummi	130	−0.6
Daimler-Benz	582	−3
Degussa	359	
Demag	166	
D'sche Babcock	163	−1
Deutsche Bank	371.5	−3
Dresdner Bank	171.5	−1.5
GHH	147.2	−0.8
Hochtief	520	+10
Hoechst	172.5	−0.3
Hoesch Werke	115	−2
Holzmann (P)	422	−7
Horten	192.5	+1
Kali und Salz	195	+4.5
Karstadt		
Kaufhof	258	+3
KHD	243.5	+2.5
Kloeckner	61	
Krupp	75.5	−2.5
Linde	376	+1
Lufthansa	157.9	−5.1
MAN	146	
Mannesmann	140	
Mercedes Hld	486	−8.5
Metallgesell	232.8	−0.3
Muench Rueck	1,090	
Preussag	279.5	+0.2
Rhein West Elect	152.8	−0.9
Rosenthal	352	
Schering	334	+1
Siemens	391	−3
Thyssen	80.6	−0.9
Varta	170	−1
Veba	170	−2.5
V.E.W.	128.5	−1.5
Verein-West	300.5	
Volkswagen	209.1	−1.6

ITALY

Apr. 9	Price Lire	+ or −
Banca Com'le	33,610	−740
Bastogi IRBS	148	−5
Centrale	1,810	−85
Credito Varesino	5,411	−39
Fiat	4,096	−224
Finsider	37.2	
Generali Assicur	36,800	−1,080
Invest	3,323	−620
Italcementi	48,110	−69
Montedison	211.4	−5.6
Olivetti	4,370	−85
Pirelli Co	2,950	−55
Pirelli Spa	1,480	−40
Snia BPD	1,543	−63
Toro Assic.	12,380	−180
do. Pref.	9,325	−325

NETHERLANDS

April 9	Price Fls	+ or −
ACF Holding	185.5	
AEGON	129.8	+1.8
Ahold	195	−4.5
AKZO	97.7xr	−0.6
ABN	398	−1
AMEV	154	+1
AMRO	73.5	−0.3
Bredero Cert	201	+1
Bos Kalis Westm.	35.4	+1.3
Buehrmann-Tet.	68.4	−0.4
Calland Hldgs	35.5	
Credit Lyon'is Bk	55.7	+0.1
Elsevier-NDU	533	−7
Gist. Brocades	137.5	−3.5
Heineken	136.5	−2
Hoogovens	48.5	−0.4
Hunter Douglas	28.9	+0.8
Int Mueller	32.6	−0.7
KLM	166.5	−5.4
Naarden	40	+0.4
Nat Ned Cert	220	−1.5
Ned. Credit Bank	40	
Ned Mid Bank	158	−2
Nedlloyd	122.5	
Oce Grinten	237.5	−1
Ommeren (Van)	30.1	+0.1
Pakhoed	61.5	−1.4
Philips	47.8	−0.5
Rijn-Schelde	3.6	−0.1
Robeco	321.5	+1
Rodamco	133.8	
Rolinco	315.5	+1
Rorento	202.9	+0.4
Royal Dutch	150.1	−2.3
Unilever	254.5	−0.7
VMF Stork	101.8	+3.8
VNU	152.2	+1
West Utr Bank	92.2	+0.7

NORWAY

April 9	Price Kroner	+ or −
Bergen Bank	157	−0.5
Borregaard	305	−12.5
Christiania Bk.	166.5	+0.5
Den Norsk Credit	167	−0.5
Elkem	170	+3
Norsk Data	277.5	−0.5
Norsk Hydro	625	+29
Storebrand	229	+1.5

SPAIN

April 6	Price Pts%	+ or −
Bco Bilbao	289	−1
Bco Central	327	
Bco Exterior	202	
Bco Hispano	225	−1
Bco Santander	295	+1
Bco Vizcaya	374	−3
Dragados	149	+1
Hidrola	48.7	+0.5
Iberduero	55	+0.5
Petroleos	112.5	+0.5
Telefonica	80.5	−0.2

SWEDEN

April 9	Price Kronor	+ or −
AGA	385	
Alfa-Laval	297	+1
ASEA (Free)	375	+3
Astra (Free)	535	−5
Atlas Copco	135	−2
Boliden	435	+2
Cardo (Free)	430	−6
Cellulosa	157	−5
Electrolux B	283	−4
Ericsson	338	−4
Esselte	361	−9
Mo Och Domsjo	460	+5
Pharmacia	270	−1
Saab-Scania	400	−1
Sandvik	410	−10
Skandia	404	+3
Skan Enskilda	346	−2
SKF	214	−2
St. Kopparbergs	780	−10
Sven Handelsbn.	204	−2
Swedish Match	274	
Volvo B (Free)	485	−5

SWITZERLAND

April 6	Price Frs.	+ or −
Alusuisse	858	−7
Bank Leu	3,830	−50
Brown Boveri	1,510	−5
Ciba Geigy	2,265	−5
do. (Part Certs)	1,730	−5
Credit Suisse	2,220	−10
Elektrowatt	2,695	+5
Fischer (Geo.)	689	−1
Genevoise	3,700	+10
Hoff-Roche PtCts	100,000	
Hoff-Roche 1/10	9,950	−50
Jacobs Suchard	6,575	−35
Jelmoli	1,830	−20
Landis & Gyr	1,410	−5
Nestle	5,010	
Oer-Buehrle	1,280	−5
Pirelli	250	
Sandoz (Br)	6,800	
Sandoz (PtCts)	1,050	
Schindler (PtCts)	560	−20
Swissair	1,085	−5
Swiss Bank	333	−1
Swiss Reinsce	7,550	
Swiss Volksbk	1,425	−5
Union Bank	3,525	−25
Winterthur	2,980	
Zurich Ins	17,850	−50

AUSTRALIA

Apr. 9	Price Aust $	+ or −
ANZ Group	5.64	+0.08
Acrow Aust.	1.8	
Alliance Oil D.	0.77	−0.01
Ampol Pet	1.7	
Aust Cons Ind	1.79	−0.01
Aust. Guarant	2.58	+0.01
Aust. Nat. Inds	2.59	−0.01
Aust. Paper	1.97	−0.01
Bell Group	5.70	+0.08
Bond Corp Hldgs	1.5	
Boral	3.55	−0.05
B'ville Copper	2.72	+0.04
Brambles Inds	2.86	+0.05
Bridge Oil	3.1	
BHP	14.5 xr	
CRA	6.08	+0.12
CSR	3.87	+0.11
Carlton Utd	4.0	
Castlemaine Tys.	4.65	+0.05
Coles (G.J.)	3.69	+0.04
Comalco "A"	3.10	+0.02
Consolidated Pet	0.98	−0.02
Costain Aust.	1.18	
Dunlop Aust.	1.65	−0.02
E.Z. Inds.	5.3	
Elders IXL	4.1	
Energy Res	1.50	+0.05

AUSTRALIA (continued)

Apr. 9	Price Aust. $	+ or −
Gen Prop Trust	1.97	−0.01
Hardie (J.)	3.42	
Hartogen Energy	3.10	+0.05
HeraldW'y Times	3.10	+0.05
ICI Aust	2.1	
Jimb'lana(50cFP)	0.31	
Kia Ora Gold	0.17	
Land Lease	4.90	+0.1
MIM	3.65	+0.1
Mayne Nickless	2.40	+0.12
Meekatharra	0.78	
Myer Emp.	1.90	−0.02
Nat.Com.Bk.	3.58	+0.03
News	10.5	
Nicholas Kiwi	2.82	−0.05
North Bkn Hill	2.9	
Oakbridge	0.8	
Otter Expl.	0.68	+0.03
Pancont'l	1.33	+0.08
Pioneer Conc	1.62	−0.05
Reckitt & Coln	2.62	
Repco	1.12	+0.02
Santos	7.10	+0.08
Smith (H.)	3.7	−0.1
Southland Min'g.	0.48	+0.03
Spargos Expl.	0.39	
Thos. Natwide	1.85	−0.02
Tooth	6.2	
UMAL Cons	3.6	
Vamgas	3.5	
Western Mining	4.35	+0.07
Westpac	3.88	−0.02
Woodside Petrol.	1.13	+0.04
Woolworths	2.33	+0.01
Wormald Intl.	3.12	+0.05

HONG KONG

Apr. 9	Price H.K.$	+ or −
Bank East Asia	24.5	−0.3
Cheung Kong	9.55	
China Light	12.7	
Hang Lung Devel	2.7	
Hang Seng Bank	38.75	−0.25
HK Electric	6.5	−0.4
HK Kowloon Wh.	4.22	+0.02
HK Land	3.57	+0.07
HK Shanghai Bk.	9.25	+0.05
HK Telephone	42.5	
Hutchison Wpa	17.3	−0.1
Jardine Math.	10.8	
New World Dev.	3.55	+0.05
Orient O'seas	2.67	
O'seas Trust Bk.	3.45	+0.05
SHK Props.	7.20	−0.15
Swire Pac A.	18.9	+0.1
Wheel'k Mard A.	3.67	+0.02
Wheel'k M'time	2.3	
World Int. Hldgs.	2.37	+0.02

JAPAN

April 9	Price Yen	+ or −
Ajinomoto	1,090	+10
Alps Electric	2,580	−20
Amada	1,240	+50
Asahi Chem	481	−10
Asahi Glass	751	−4
Bridgestone	584	+13
Canon	1,350	−10
Casio Comp.	1,330	+10
Chugai Pharm	1,060	+20
Citizen	575	
Daiei	710	−4
Dai Nippon Ptg	1,060	+20
Daiwa House	485	
Ebara	333	+2
Eisai	1,150	−10
Fanuc	9,390	−10
Fuji Bank	1,040	−30
Fuji Film	2,060	+10
Fujisawa	815	+5
Fujitsu	1,330	+20
Green Cross	2,080	+130
Hasegawa	400	
Heiwa Real Est.	626	+15
Hitachi	939	+7
Hitachi Credit	1,670	+60
Honda	1,110	+30
House Food	784	+2
Hoya	2,030	+60
Itoh (C)	312	
Ito.Yokado	2,120	+20
Iwatsu	1,990	+50
JACCS	593	+2
JAL	2,820	+10
Jusco	825	−5
Kajima	301	−2
Kao Soap	814	+4
Kashiyama	638	−2
Kirin	613	+3
Kokuyo	1,060	
Komatsu	486	+5
Konishiroku	671	+11
Kubota	325	
Kumagai	468	+3
Kyoto Ceramic	8,500	−100
Maeda Const.	525	+5
Makino Milling	1,400	
Makita	1,050	
Marubeni	381	−34
Marudai	610	−10
Marui	1,220	
MEI	1,890	+10
M'ta Elec Works.	747	+11
M'bishi Bank	1,070	
M'bishi Corp.	567	−3
M'bishi Elec.	420	+1
M'bishi Estate	536	+1

JAPAN (continued)

April 9	Price Yen	+ or −
MHI	244	−5
Mitsui Co.	370	
Mitsui Estate	722	−7
Mitsukoshi	351	+1
NGK Insulators	751	−4
Nihon Cement	231	−1
Nippon Denso	1,540	+10
Nippon Elect.	1,420	+20
Nippon Express	310	−1
Nippon Gakki	630	
Nippon Kokan	148	
Nippon Oil	1,180	
Nippon Seiko	625	+2
Nippon Shimpan	655	−2
Nippon Steel	179	+1
Nippon Suisan	351	−6
NTV	15,200	+400
Nippon Yusen	251	+3
Nissan Motor	688	+7
Nisshin Flour	454	+4
Nisshin Steel	209	+2
Nomura	866	−10
Olympus	931	−4
Omron Tateisi	2,350	
Orient Leasing	3,850	−10
Pioneer	2,780	−20
Renown	684	+2
Ricoh	1,050	+20
Sankyo	808	
Sanyo Elect.	534	+2
Sapporo	415	−3
Sekisui Prefab	570	−11
Seven-Eleven	8,860	−50
Sharp	1,250	+20
Shimadzu	617	+22
Shionogi	634	+4
Shiseido	1,110	+20
Sony	3,680	+50
Stanley	765	−10
S'tomo Elect.	945	+18
S'tomo Marine	583	+13
S'tomo Metal	166	
Taihei Dengyo	492	−3
Taisei Corp	220	+2
Taisho Pharm.	1,050	+61
Takeda	720	−4
TDK	6,410	+10
Teijin	426	+13
Teikoku Oil	683	+3
Tokyo Marine	642	−3
TBS	850	+9
Tokyo Elect Pwr.	1,300	+10
Tokyo Gas	172	+1
Tokyo Sanyo	800	+25
Tokyo Style	800	
Tokyu Corp	320	+2
Toppan Print	758	−2
Toray	450	
Toshiba Elect.	417	+4
TOTO	645	+4
Toyo Seikan	785	+4
Toyota Motor	1,370	+20
Victor	2,860	−30
Wacoal	756	+1
Yamaha	515	
Yamanouchi	1,410	+60
Yamazaki	750	
Yasuda Fire	341	+6
Yokogawa Bdge.	439	−1

SINGAPORE

Apr. 9	Price $	+ or −
Boustead Hldgs.	2.73	+0.05
Cold Storage	4.26	
DBS	10.2	+0.2
Fraser & Neave	6.1	
Genting	5.46	+0.1
Haw Par. Bros	2.85	+0.01
Inchcape Bhd.	2.88	
Keppel Shipyard	5.04	−0.02
Malay Banking	10.8	−0.1
Malay Brew.	5.8	
Multi Purpose	1.95	+0.01
OCBC	10.6	
OUB	4.4	
Sime Darby	2.54	−0.02
Straits St'mship.	1.66	
Straits Trdg.	6.05	+0.10
UOB	5.4	

SOUTH AFRICA

Apr. 9	Price Rand	+ or −
Abercom	2.40	+0.15
AE & CI	8.35	
Anglo Am Coal	29.10	−0.15
Anglo Am Corp.	24.25	+0.50
Anglo Am Gold	150	
Barclays Bank	22	+1
Barlow Rand	14.0	−0.1
Buffels	79.5	+2.50
CNA Gallo	2.7	
Currie Finance	5.25	
De Beers	10	
Driefontein	48.0	+0.75
FS Geduld	52	−0.5
Gold Fields S.A.	28.50	+0.75
Highveld Steel	6.35	+0.15
Nedbank	16	
OK Bazaars	19.35	
Protea Hldgs	3.25	−0.15
Rembrandt	25.5	
Rennies	15.15	+0.05
Rust. Plat.	15.25	−0.05
Sage Hldgs	8	
SA Brews	7.56	
Smith (C.G.)	25.50	−0.25
Tongaat Huletts	11.8	
Unisec	5.55	−0.05

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

CANADA

TORONTO
Prices at 2.30 pm
April 9

Sales	Stock	High	Low	Close	Chng
1240	Abti Prce	$25¼	25¼	25¼	−¼
102	Acklands	518	18	18	
496	CTL Bank	$10⅞	10⅞	10⅞	+⅛
14560	Conventrs	400	395	395	−10
500	Coseka R	390	385	390	
2100	Carnon A	$13½	13½	13½	
100	Crownx	$15½	15½	15½	+¼
12300	Czar Res	185	180	180	+4
2100	Daon Dev	142	142	142	
500	Inland Gas	$14⅛	14⅛	14⅛	
500	Inter Pipe	$27⅝	27⅜	27⅜	+⅛
200	Inv GrA 1	$37½	37½	37½	
1900	Jannock	$12⅛	12	12	−⅛
710	Kam Kotia	145	140	140	−5
86	Kerr Add	$18⅛	18⅛	18⅛	−⅛
4700	Labatt	$18⅝	18⅝	18⅝	−⅛
300	Scotts f	$13	13	13	−¼
10400	Shell Can	$24⅝	24⅛	24⅛	
4710	Sherritt	$9⅞	9⅞	9⅞	+⅛
500	Sigma	$15	15	15	
400	SSears A f	$8⅞	8⅞	8⅞	+⅛
25	Slater B f	$5⅞	5⅞	5⅞	−⅛
3160	Southm	$48	47½	48	+½

[illegible]

AMERICAN STOCK EXCHANGE PRICES

Continued from Page 35

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

OVER-THE-COUNTER

Nasdaq national market, 2.30pm prices

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]					

LONDON

Chief price changes
(In pence unless otherwise indicated)

RISES

Treas. 7¾%2012-5	£94⅞	+£⅛
Automated Sec.	162xd	+12½
BICC	285	+10
Barratt	132xd	+6½
Black & Edg'ton	117	+8
Brit Printing	181	+13
Cater Allen	320	+30
Comet	208	+60
Commercial U.	226	+8
Common Bros.	130	+10
Dominion Int'l.	115	+9
Dunlop	17	+2½
Electro-Protect.	154	+14
Fisher (A.)	88	+5
Glaxo	845	+22
Hepworth (J.)	283	+9
H'side Elec.	17	+7
Kean & Scott	61	+7
Lyle Shipping	85	+7
Plessey	242	+10
Prestwich	58	+8
Rivlin (I.D. & S.)	98	+12
Union Discount	745	+25
KCA Drilling	38	+5
RTZ	682	+12
Wit. Nigel	209	+16

FALLS

Lloyds Bank	598	−15
NatWest Bank	658	−19
Strong & Fisher	163	−7

Continued on Page 37

Indices

NEW YORK -DOW JONES

Industrials	1123.38	1132.22	1138.55	1146.59	1148.79	1153.18	1286.64	[illegible]
Transport	[illegible]							
Utilities	[illegible]							

STANDARD AND POORS — [illegible]

N.Y.S.E. ALL COMMON — [illegible]

RISES AND FALLS — [illegible]

MONTREAL — [illegible]

TORONTO — [illegible]

New York Active Stocks — [illegible]

NEW YORK

[illegible]

LONDON STOCK EXCHANGE

STOCK MARKETS

Equity leaders pursue irregular course in slow trade

Gilts edge firmer throughout

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Mar 26	Apr 5	Apr 6	Apr 16
Apr 9	Apr 26	Apr 27	May 8
Apr 30	May 10	May 11	May 21

* "New-time" dealings may take place from 9.30 am two business days earlier.

London markets traded cautiously yesterday, the first session of a three-week trading Account, awaiting Wall Street's reaction to the rise in the U.S. Federal Reserve Discount rate. This was announced after the close of business on Friday. The increase of ½ to 9 per cent—the first movement since December 1982—was smaller than had been expected, suggesting that the Fed was not seeking to push interest rates higher but, at the same time, was gradually tightening its monetary policy.

Dealers here took the view that the news was unlikely to have any great impact on U.S. share values, but investors were more indecisive. They chose to ignore leading shares and concentrated on speculative stocks and those issues recommended in the weekend financial columns. Many favourites revived, foremost being Commercial Union Assurance, up 8 at 236p, on renewed speculation of pending U.S. developments. Discount Houses flared into prominence following favourable comment, but clearing banks weakened on fears of possible fund-raising; the latter was aroused by projections of the cost of extra taxes through the phasing out of capital allowances.

The irregular trading pattern of blue chip equities was borne out by the FT Industrial Ordinary share index. Eleven constituents moved higher, 11 went lower and the remainder closed unchanged. Double-figure gains by BICC, Plessey and Glaxo, the last-named reflecting satisfactory half-year results, helped the index edge progressively forward to close a net 1.8 up on the day at 867.2.

The combination of a steadier pound against the dollar and firmer U.S. bond values encouraged small support of Government securities. Trading was rather thin, although lower coupon long-dated stocks attracted above-average interest and gained ¼ in places. High coupon issues were rarely more than ⅛ better and similar improvements were achieved by medium life Gilts. The shorts came away from the best levels during the afternoon with the exception of selected low coupon stocks, some of which rose 1/16; Exchequer 2½ per cent 1986 advanced that much to 85 11/32.

Clearers fall

NatWest's revelation that the Chancellor's Budget decision to phase out capital allowances could cost the group £550m in extra taxes and analysts' fears that the estimated total bill for the four main clearing banks could amount to £1.5bn depressed the sector. Prices retreated from the outset amid revived suggestions that the clearers could announce sizeable fund-raising plans to compensate and closing falls ranged to 19. NatWest fell that much to 658p, after 655p, while Lloyds gave up 15 to 598p and Barclays 12 to 495p. Midland softened only 5 to 378p. In contrast, Discount Houses were stimulated by a Financial Times article that they could attract suitors as a result of the impending changes in Stock Exchange regulations. Cater Allen jumped 30 to 520p, Union advanced 25 to 745p and Gerrard and National firmed 17 to 335p. Seccombe Marshall and Campion put on 10 to 290p and King and Shaxson improved 6 to 154p. Among smaller-priced issues, Clive hardened a few pence to 37p, while improvements of 5 and 6 respectively were seen in Jessel Toynbee, 89p, and Smith St. Aubyn, 63p. Merchant banks were featured by a fresh speculative gain of 3 to 146p in Minster Assets on revived bid hopes.

Commercial Union began the new Account strongly, rising 8 to 226p, after 229p, as rumours of a U.S. bid, or sell-off, resurfaced. Among life insurances, Pearl put on 8 to 783p ahead of tomorrow's preliminary results.

Among Industrials Wines and Spirits, Highland Distilleries revealed first-half profits in line with most market estimates and closed a penny firmer at 113p.

A relatively quiet Building sector was notable for a rally in the recently beleaguered Barratt Developments which moved up 6½ to 132p xd in response to the announcement that the Kuwait Investment Office hold a 5.04 per cent stake in the company. Elsewhere, Rugby Portland Cement improved 3 to 108p following slightly better-than-expected preliminary profits, while British Dredging hardened a couple of pence to 69p, in anticipation of today's annual figures. An investment recommendation helped Dunton rise 2½ to 17p, while John Finlan gained 5 to 185p on further consideration of last week's news that Bermuda-based Amadeus had increased its stake to 20 per cent.

ICI drifted lower to close 8 cheaper at 586p. Elsewhere in quiet Chemicals, James Halstead eased 2 to 70p following the lower interim profits.

Approach to Comet

A relatively uninspiring session among Stores was enlivened by electrical retailers Comet which spurted 60 to 208p following the mid-afternoon announcement of a bid approach; immediate market response was to suggest Habitat Mothercare as a likely suitor—a rumour soon scotched by the latter's board. The news prompted support of Dixons, 13 up at 296p, and Currys, 8 better at 358p.

Attention elsewhere in secondary Stores centred on the more speculative issues. J. Hepworth advanced 9 to 283p following publicity given to a visit from brokers James Capel, while I. D. & S. Rivlin continued to respond to persistent demand and touched 101p before settling a net 12 dearer at 99p. French Connection were also wanted and rose 15 to 300p, albeit in a restricted market. Button and trimming merchants C. A. Sperati, still anticipating a "shell" operation in the wake of the bid from Messrs P. Nash and S. Alexander, improved 30 to record a two-day advance of 110 at 330p: it was revealed last Friday that Mr Cyril Lewis Barnard has acquired around 6.6 per cent of the equity.

The prospect of a Stock Exchange inquiry into dealings in the company's shares prompted modest profit-taking of Strong and Fisher, which eased 7 to 163p.

Plessey, up 10 at 242p, in response to Press comment ahead of tomorrow's expected meeting with investment analysts, featured otherwise quiet Electrical leaders. Other noteworthy movements in the sector were usually prompted by newspaper comment. Electro-Protective advanced 14 to 154p, Automated Security 12½ to 162p xd, Sunnerside Electronic 7 to 17p, and Amstrad 6 to 92p. Lec Refrigeration continued to edge higher awaiting Thursday's preliminary results and closed 7 up at 385p.

Leading Engineers showed little alteration after a rather slow trading session. Secondary issues fared little better in the way of activity, although weekend Press mention stimulated some buying activity. Prestwich Parker were noteworthy for a Press-inspired gain to 21p. Demand ahead of today's preliminary figures left Senior Engineering 2½ to the good at 23p. Brockhouse rose 4½ to 58p on the increased alternative cash offer of 47.5p per share from Evered. Revived speculative interest prompted a gain of 6 to 152p in Spear and Jackson.

News of the group's proposal to raise at least US$75m by way of an offer in the U.S. of ordinary shares in the form of American Depositary Receipts failed to make much of an impression on Cadbury Schweppes which closed 3 better at 127p xd. Elsewhere in Foods, Albert Fisher gained 5 to 88p on buying ahead of tomorrow's interim results, while Hazlewood jumped 20 to 590p following the Board's impressive dividend and profits forecast which accompanied details of the acquisition of Beaverize (Fine Foods and Crisps Produce).

Glaxo improve

Apart from a late flurry of activity in Glaxo, which touched 850p on the half-yearly figures before closing a little below the best at 845p, up 22 on the day, leading miscellaneous industrials traded on an extremely quiet note. Most quotations, however, were inclined harder, but Bowater ended a penny cheaper at 309p, after having been down to 300p. Dominion International responded to a newsletter recommendation with a rise of 9 to 115p, while Sangers moved up 4 to 40p for a similar reason. Week-end Press mention prompted occasional demand for Spong, which improved 1½ to 18p, but I. and J. Hyman eased 3½ to 31½p in front of today's preliminary statement. Kean and Scott rose 7 to 61p; Hawley Group, which already owns approximately 68 per cent of the ordinary share capital of Kean and Scott, announced yesterday that it wants to increase its stake to 75 per cent and is prepared to buy shares in the market at 60p per share. Speculative buying left Aaronson 6 to the good at 62p, while Cookson improved 5 to 323p ahead of Thursday's preliminary results.

Black and Edgington provided a firm feature in the Leisure sector, rising 8 to 112p on news that Hawley intends to increase its holding in the company to 75 per cent. Intervision gained 3 to 29p in response to an investment recommendation, whileMams put on 6 to 151p and Campari 2 to 38p.

The prospect of an institutional boycott of the Reuters flotation in protest against the proposed unequal voting structure resulted in modest falls among the issues concerned. Fleet eased a few pence to 160p, while Associated Newspapers finished 8 off at 475p. Among regionals, United, 315p, and BPM, 117p, shed 5 apiece. Fears of similar action against the pending Mirror Group flotation left Reed International 6 cheaper at 434p. Paper/Printings highlighted Mr Robert Maxwell's British Printing, which advanced to 185p before settling a net 13 to the good at 181p: the preliminary results are due sometime this Account. Fitch firmed 10 to 280p await-

Properties plotted an irregular course in thin trading. Cussins moved up 5 to 255p following the results and Markheath reflecting Finchley development hopes, added the same amount at 125p. Mountview advanced 10 to 265p as did Rosehaugh, to 440p, but Bridgewater Estates closed 23 lower at 310p xd.

Shippings made a firmer showing under the lead of Common Brothers which benefited from weekend Press mention and touched 137p before closing 10 dearer on balance at 130p. Lyle, down 14 last Friday following the omitted final dividend and increased annual loss, rallied 7 to 85p, after 88p, while revived speculative interest lifted Reardon Smith 3 to 44p.

Textiles were irregular. Robert H. Lowe attracted fresh speculative demand to close 5 up at 43p, but support was lacking for Textured Jersey, 72p, David Dixon, 96p, and Stroud Riley Drummond, 74p, all around 4 cheaper.

Tricentrol advance

Initial small falls in leading domestic oils were quickly recovered and the majority of issues closed with modest gains on balance. Tricentrol were a firm feature, responding to good demand in after-hours trading and closing 10 to the good at 203p xd. LASMO ended the day a net 5 firmer at 303p, while BP settled at 478p, unchanged on the day, after 475p. Among numerous features in second-line issues KCA Drilling put on 5 at 38p following the chairman's statement and Pict Petroleum, still responding to rumours of a further oil discovery on North Sea block 15/21A, closed a net 3 higher at 160p, after 168p. Hunting Petroleum held steady at 158p in the wake of the preliminary figures.

Irish exploration stocks continued to attract a good deal of attention. Atlantic Resources touched extremes of 58p and 64p before closing 2 up on balance at 62p reflecting favourable week-end Press comment. Aran were a like amount firmer at 52p.

Golds move ahead

South African sectors of mining markets made a bright start to the new account, gaining ground for the fourth successive trading session.

A continuing shortage of stock and a relatively good performance by the bullion price, which edged up $1.75 to $382.75 an ounce in spite of last Friday's increase in the U.S. Federal Reserve discount rate, saw prices move progressively higher throughout the day.

The Gold Mines index advanced 11.8 more to 667.3, its best level since March 22 and a four-day gain of more than 28 points.

Outstanding performers in the heavyweights came from Vaal Reefs, £1½ to the good at £91½ and Hartbeest, £1½ up at £55½, while encouraging quarterly results boosted Kloof ½ to £36½ and Driefontein ½ to £26½.

The Orange Free State mines in the Anglo American group attracted persistent interest ahead of the dividends due on Wednesday week, with Western Holdings advancing ½ to £37½.

Features among South African Financials included GFSA and Gencor which added a half-point apiece at £16 and £13½ respectively.

Rio Tinto-Zinc were a firm market in London Financials and moved up 12 to 692p.

Australians moved in a narrow range. In the leaders MIM Holdings edged up 3 to 233p and CRA a couple of pence to 390p, the latter following favourable weekend Press comment. On the other hand, falls ranging up to around 4 were common to Bougainville, 170p, Peko-Wallsend, 342p and Renison, 242p.

Elsewhere, Wankie Colliery held steady at 14p in spite of news of the dividend ommission. Press comment encouraged modest support for Anglo United Development, which hardened 2 to 65p.

Continuing speculation in the underlying shares again stimulated a sizeable Traded Options business in Commercial Union which attracted 960 calls, 357 struck in the April 200's which closed 9 up at 30p, and 170 puts. Elsewhere, Oils were to the fore with BP recording 436 calls, 306 in the April 500's, and Shell Transport 334 calls. Total contracts amounted to 3,628, a slight increase on last week's daily average of 3,450.

FINANCIAL TIMES STOCK INDICES

	April 9	April 6	April 5	April 4	April 3	April 2	year ago
Government Secs	82.96	82.79	82.81	82.60	82.66	83.02	82.75
Fixed Interest	86.46	86.38	86.62	86.52	86.56	86.73	84.25
Industrial Ord.	867.2	865.4	867.0	857.8	859.2	870.6	683.9
Gold Mines	667.3	655.5	655.4	645.9	638.7	651.3	618.0
Ord. Div. Yield	4.41	4.42	4.41	4.45	4.45	4.39	4.68
Earnings, Yld.% (full)	9.92	9.95	9.93	10.02	10.01	9.86	9.43
P/E Ratio (net) (*)	12.11	12.08	12.10	12.00	12.01	12.20	12.90
Total bargains (Est.)	29,252	31,657	32,420	31,140	31,019	30,502	26,361
Equity turnover £m.	—	345.42	283.01	263.71	279.93	270.93	211.16
Equity bargains	—	31,297	25,973	25,639	26,840	28,948	21,667
Shares traded (ml)	—	231.0	176.8	160.8	162.0	151.6	147.7

10 am 865.8. 11 am 866.0. Noon 866.2. 1 pm 865.4. 2 pm 866.6. 3 pm 866.8.

Basis 100 Govt. Secs. 8/1/58. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/1/55. SE Activity 1974. Latest Index 01-246 8026.

*Nil=11.48.

HIGHS AND LOWS / S.E. ACTIVITY

	1984 High	1984 Low	Since Compilat'n High	Since Compilat'n Low		April 6	April 5
Govt. Secs.	83.77 (3/1)	82.37 (6/2)	127.4 (9/1/35)	49.18 (3/1/75)	Daily Gilt Edged Bargains	164.2	161.9
Fixed Int.	87.48 (14/3)	86.35 (4/1)	150.4 (28/11/47)	50.53 (3/1/75)	Equities Bargains / Value	202.6 / 698.2	174.8 / 572.0
Ind. Ord.	901.4 (21/3)	770.3 (4/1)	901.4 (21/3/84)	49.4 (26/6/40)	5-day Average Gilt Edged Bargains	171.8	170.0
Gold Mines	711.7 (3/2)	620.2 (17/1)	734.7 (15/2/83)	43.5 (26/10/71)	Equities Bargains / Value	181.3 / 583.3	171.4 / 577.8

NEW HIGHS AND LOWS FOR 1984

NEW HIGHS (62)

BRITISH FUNDS (3)
Treas. 10½pc 1989; Treas. 13½pc 1993; Treas. 10pc Cv '90
INTL. BK. & O'SEAS GOVT. STLG. ISS. (3)
Australia 13½pc '10; Sweden 13½pc Ln '10; N Z 14½pc 1987
LOANS (2)
Inv. in Ind. 6½pc Deb. 1981-84; Inv. in Ind. 11½pc Uns. Ln. 1990
AMERICANS (1)
Corporate Data
BANKS (3)
First Nat'l Finance; Minster Assets; King & Shaxson
BUILDINGS (3)
Dunton; Lafarge-Coppee
CHEMICALS (3)
Coates Bros.; Croda Internatl.; Do. A N-V
STORES (7)
Comet; Home Charm; Debenhams; Liberty; Dixons Group; Lincroft Kilgour; Hepworth (J.)
ELECTRICALS (2)
Electrocomponents; Lec Refrigeration; Farnell Elect.
ENGINEERING (3)
Aurora; Prestwich Parker; Brockhouse
FOODS (2)
Hazlewood Foods; Pyke
INDUSTRIALS (8)
Aaronson Bros.; Diploma; Baird (Wm.); Harris; British Syphon; Kean & Scott; Dalgety; MCD
INSURANCE (3)
FAI Insurances; Willis Faber; Stewart Wrightson
LEISURE (2)
Grampian TV A; Man. Agcy. & Music
PAPERS (3)
Brit. Printing; Harrison Cowley; Clay (R.)
PROPERTY (2)
Mountview Ests.; Sheafbank Prop.
TEXTILES (2)
Munton Bros.; Sumner Wolsey
TOBACCOS (1)
BAT Inds.
TRUSTS (4)
City of Oxford; Moorgate Inv.; Fleming Enterprise; Murray Technology Inv.
OILS (3)
Collins (K.); Petrolina; Norsk Hydro

NEW LOWS (10)

BRITISH FUNDS (1)
Exchr. 14pc 1984
AMERICANS (2)
AristTech; Southwestern Bell
BANKS (1)
First Natl. Fin Wts.
ELECTRICALS (1)
Xyllrx
LEISURE (2)
Radio Clyde N-V; SecGo Inc.
PROPERTY (1)
Daon Dev. Corp.
OILS (1)
LASMO Ops.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	77	6	21
Corpns. Dom. and Foreign Bonds	23	—	57
Industrials	413	312	690
Fin. and Props.	117	122	286
Oils	40	19	62
Plantations	1	2	11
Mines	61	33	79
Others	[illegible]	[illegible]	[illegible]
Totals	796	570	1,287

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Figures in parentheses show number of stocks per section

	EQUITY GROUPS & SUB-SECTIONS	Mon April 9 1984 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	Fri April 6 Index No.	Thurs April 5 Index No.	Wed April 4 Index No.	Tues April 3 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (202)	513.91	+0.5	8.76	3.56	14.65	511.31	512.80	508.60	511.48	465.62
2	Building Materials (24)	501.87	+0.1	10.62	4.36	11.76	501.21	506.78	503.49	505.90	440.91
3	Contracting, Construction (32)	744.08	+0.5	12.60	4.76	9.94	740.19	748.41	745.09	749.79	792.75
4	Electricals (14)	1708.26	+2.0	7.49	4.07	16.88	1674.96	1703.02	1687.75	1696.74	1725.82
5	Electronics (27)	1774.77	+1.0	8.07	2.14	16.13	1757.29	1755.41	1740.28	1752.78	8.8
6	Mechanical Engineering (62)	240.97	−0.2	10.59	4.89	11.58	241.40	243.50	240.33	241.01	218.80
8	Metals and Metal Forming (9)	195.96	−0.4	10.52	6.44	11.98	196.75	200.32	197.55	200.25	185.36
9	Motors (17)	139.38	—	3.09	3.97	—	139.41	139.72	137.44	138.83	98.29
10	Other Industrial Materials (17)	683.21	+0.2	5.59	3.48	23.69	681.55	671.10	670.23	671.22	447.22
21	CONSUMER GROUP (195)	520.01	+0.3	9.81	4.08	12.43	518.43	520.92	515.65	518.37	432.29
22	Brewers and Distillers (23)	509.93	+0.2	11.79	4.74	10.50	508.95	511.52	502.08	505.05	457.62
25	Food Manufacturing (22)	397.02	−0.6	13.20	5.40	8.76	399.34	401.24	398.84	400.43	344.57
26	Food Retailing (12)	1190.09	+0.2	7.01	2.46	18.37	1187.14	1198.10	1201.47	1208.34	864.69
27	Health and Household Products (9)	790.55	+1.3	6.12	2.67	19.24	780.21	781.39	776.52	775.58	811.31
29	Leisure (22)	668.34	—	8.64	4.28	14.94	668.62	672.68	667.42	672.32	541.75
32	Newspapers, Publishing (14)	1313.55	+0.5	7.29	3.93	16.44	1306.64	1310.58	1283.96	1289.01	798.89
33	Packaging and Paper (15)	256.05	−0.6	10.23	4.18	11.85	257.61	258.35	255.92	257.67	161.84
34	Stores (47)	478.22	+0.1	7.48	3.27	18.09	477.72	480.72	475.67	478.62	380.99
35	Textiles (20)	291.91	+0.1	10.76	3.96	10.65	291.48	291.36	289.38	292.14	206.80
36	Tobaccos (3)	618.44	+1.5	17.36	5.83	6.52	609.43	611.65	598.06	603.49	474.02
39	Other Consumer (8)	482.52	−0.1	10.88	4.19	—	482.81	479.78	482.67	485.00	378.99
41	OTHER GROUPS (88)	441.92	−0.2	9.18	4.32	13.09	442.92	447.77	443.45	444.12	336.08
42	Chemicals (18)	596.66	−0.8	11.13	4.88	10.59	601.48	605.83	606.31	606.42	441.01
44	Office Equipment (5)	131.70	−0.4	8.11	5.63	15.96	132.18	134.14	133.80	136.29	104.41
45	Shipping and Transport (14)	874.06	−0.6	8.44	4.84	15.52	879.47	885.63	877.84	880.68	657.91
46	Miscellaneous (51)	600.21	+0.3	7.86	3.63	15.23	598.19	606.83	595.35	595.73	468.16
49	INDUSTRIAL GROUP (485)	511.11	+0.3	9.38	3.91	13.17	509.66	512.29	507.47	509.90	431.64
51	Oils (15)	1085.77	+0.1	11.79	6.22	10.28	1084.63	1087.83	1093.81	1081.18	850.52
59	500 SHARE INDEX	559.24	+0.3	9.78	4.29	12.59	557.82	560.49	556.59	557.74	466.55
61	FINANCIAL GROUP (120)	384.84	−0.6	—	5.37	—	387.29	390.05	389.91	389.86	314.33
62	Banks (6)	384.33	−2.2	23.06	7.06	5.04	392.79	395.91	393.99	395.84	326.92
63	Discount Houses (7)	461.52	+4.9	—	6.18	—	439.99	439.99	446.35	453.99	309.38
65	Insurance (Life) (9)	481.05	−0.8	—	5.37	—	484.74	487.71	486.25	483.35	389.25
66	Insurance (Composite) (9)	280.92	+0.7	—	6.25	—	278.91	281.50	282.45	282.37	209.28
67	Insurance (Brokers) (6)	754.77	+0.3	9.48	4.36	14.76	752.42	750.85	749.99	748.08	626.90
68	Merchant Bank (12)	247.62	−0.1	—	3.83	—	247.95	248.61	247.66	246.54	167.59
69	Property (53)	562.15	−0.5	5.37	3.55	24.95	564.80	569.96	572.98	572.16	478.29
70	Other Financial (18)	261.02	−1.1	10.75	5.26	11.42	264.01	265.67	264.45	265.19	249.96
71	Investment Trusts (106)	511.35	—	—	3.52	—	511.13	517.08	516.51	516.60	417.16
81	Mining Finance (4)	331.30	+1.4	8.04	4.40	15.02	326.79	328.70	326.54	326.61	265.88
91	Overseas Traders (16)	578.50	+0.1	7.81	6.39	17.01	578.04	578.94	574.48	581.30	440.21
99	ALL-SHARE INDEX (746)	516.84	+0.1	—	4.45	—	516.21	519.08	516.20	517.86	428.22

FIXED INTEREST

	PRICE INDICES	Mon April 9	Day's change %	Fri April 6	xd adj. today	xd adj. 1984 to date
	British Government					
1	5 years	118.69	+0.08	118.59	—	3.22
2	5–15 years	133.02	+0.19	133.08	0.31	3.73
3	Over 15 years	143.06	+0.24	142.72	—	2.53
4	Irredeemables	154.37	+0.25	154.00	—	1.62
5	All stocks	131.38	+0.16	131.31	0.15	3.35
6	Debentures & Loans	109.13	+0.35	109.17	0.42	3.43
7	Preference	76.85	+0.29	76.72	0.09	2.55

	AVERAGE GROSS REDEMPTION YIELDS		Mon April 9	Fri April 6	Year ago (approx.)
	British Government				
1	Low	5 years	9.92	9.96	9.19
2	Coupons	15 years	10.09	10.10	9.91
3		25 years	9.71	9.73	9.73
4	Medium	5 years	10.56	10.59	11.13
5	Coupons	15 years	10.54	10.57	10.68
6		25 years	10.81	10.84	10.09
7	High	5 years	10.68	10.71	11.24
8	Coupons	15 years	10.69	10.72	10.89
9		25 years	10.09	10.12	10.22
10	Irredeemables †		9.66	9.68	9.69
11	Debs &	5 years	11.38	11.34	12.03
12	Loans	15 years	11.40	11.34	12.03
13		25 years	11.40	11.34	12.03
14	Preference †		12.80	12.77	12.31

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$350	—	—	4	49	—	—	$383.20
GOLD C	$400	42	3.50 B	15	14.10	—	—	"
GOLD C	$425	45	1.40	44	7.50	—	—	"
GOLD P	$350	—	—	150	3	—	—	"
GOLD P	$375	—	—	—	—	8	9.80	"
GOLD P	$400	—	—	4	20 B	10	21	"
		June		Sept.		Dec.		
SILVER C	$9	100	0.70	—	—	1	1.65	$9.26
SILVER C	$10	11	0.39	7	0.65	—	—	"
SILVER P	$8	2	0.15	—	—	—	—	"
SILVER P	$9	—	—	—	—	5	0.65	"
SILVER P	$10	—	—	—	—	100	1.25	"
		April		July		Oct.		
AKZO C	F.90	56	8.10	25	11.50	1	15.50	F.97.70
AKZO C	F.100	103	1.30	43	6.10	25	10.50	"
AKZO C	F.110	184	0.40	162	3.70	65	7	"
AKZO C	F.120	42	0.10	226	2.10	31	4	"
AKZO C	F.130	—	—	62	1.30	—	—	"
AKZO P	F.90	28	0.60	101	3.20	32	5	"
AKZO P	F.100	106	6.50 A	104	8	5	9.50	"
AKZO P	F.110	70	15.50	23	15.60	—	—	"
AMRO C	F.60	34	14	—	—	—	—	F.73.50
AMRO C	F.65	38	8.60	—	—	—	—	"
AMRO C	F.70	32	4.40	—	—	—	—	"
AMRO C	F.75	33	1	47	3.60	—	—	"
AMRO C	F.80	59	0.20	4	2.50	15	3	"
GIST C	F.140	66	2.50	2	8.50	—	—	F.137.50
GIST P	F.130	—	—	37	4.50	—	—	"
HEIN C	F.140	79	2 B	14	8.20	—	—	F.136.50
HEIN C	F.160	6	0.40 A	38	3	1	4.50	"
HOOG C	F.53.20	52	0.20	8	2.30	—	—	F.48.50
HOOG P	F.48.20	52	1.60	37	3.30	12	19.50	"
KLM C	F.170	81	3.80	72	13.10	3	17	F.166.50
KLM C	F.180	219	1.70	40	10	—	—	"
KLM C	F.190	208	0.70	64	7	—	—	"
KLM C	F.200	6	0.60	30	5.50	—	—	"
KLM P	F.150	10	0.70	62	3.80	—	—	"
KLM P	F.160	38	1.60 B	62	6.50	—	—	"
KLM P	F.170	164	6	99	12	73	15	"
KLM P	F.180	89	14.50	70	19B	1	21	"
KLM P	F.190	95	24.50	3	25.10 B	—	—	"
KLM P	F.200	29	33	—	—	—	—	"
NEDL C	F.120	30	4	20	8.50	—	—	F.122.50
PETR C	Fr.6500	44	1100	5	1100	—	—	Fr.75,60
PHIL C	F.40	102	7.70	63	8.30	8	10	F.80
PHIL C	F.50	86	3	128	4.90	92	5.90	"
PHIL C	F.45	196	0.60	364	2.05	180	4.30	"
PHIL P	F.45	23	0.50	161	1.70	3	2.50	"
PHIL P	F.50	85	3.30	96	4.30	47	4.70	"
RD C	F.120	135	30.60	—	—	—	—	F.150.10
RD C	F.130	122	20 B	—	—	—	—	"
RD C	F.140	48	11	17	13.50	11	17.50	"
RD C	F.150	264	3.50	201	8.30	75	12.70	"
RD C	F.160	207	0.50	168	4.50	38	8.70	"
RD C	F.170	—	—	42	2	52	4.80	"
RD P	F.140	31	0.30	191	2.80	124	5.50	"
RD P	F.150	142	3.60	114	8.30	282	11.90	"
RD P	F.160	312	10.40	34	15.30	2	16.50 B	"
UNIL C	F.260	47	2	13	9.30	5	17	F.254.50
UNIL P	F.240	—	—	31	8.30	—	—	"

TOTAL VOLUME IN CONTRACTS 11,009

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls Apr.	Calls July	Calls Oct.	Puts Apr.	Puts July	Puts Oct.
B.P. (*480)	390	95	98	—	—	—	—
	420	65	68	[illegible]	[illegible]	[illegible]	[illegible]
	460	25	40	48	[illegible]	6	10
	500	5	20	28	25	32	37
Cons. Gold (*611)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Courtaulds (*147)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Com. Union (*229)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
G.E.C. (*185)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grand Met. (*326)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
I.C.I. (*586)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Land Sec. (*275)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Marks & Sp. (*256)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shell Trans. (*618)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option		Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
Barclays (*494)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Imperial Gp. (*141)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LASMO (*303)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Lonrho (*146)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
P. & O. (*304)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Racal (*213)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
R.T.Z. (*691)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Vaal Reefs (*$151)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option		Calls June	Calls Sep.	Calls Dec.	Puts June	Puts Sep.	Puts Dec.
Beecham (*313)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Boots (*[illegible])	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
De Beers (*$797)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Guest Keen (*200)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hanson (*192)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tesco (*184)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Apr. 9. Total Contracts 3,628. Calls 2,650. Puts 978.
*Underlying security price.

OVER-THE-COUNTER

Nasdaq national market, 2.30pm prices

Continued from Page 36

Stock	Sales (Hds)	High	Low	Last	Chng
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
P—Q					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
R—R					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
S—S					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
T—T					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
U—U					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
V—V					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
W—W					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
X—Y—Z					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

1984 High	Low	Stock	Price £	+ or –	Int.	Red.
103¾	99⅛	Treas. 10½pc 1989	103¾	+⅜	10.52	10.53
100⅞	96⅝	Exch. 10pc 1989	100⅞	+⅜	10.29	10.70
70⅞	69⅜	Do. 10pc '89A (£70pd)	69⅞	+⅛	10.26	10.65
85¼	80⅞	Treas 5pc 1986-89	81⅜xd	+⅛	6.14	9.39
112¼	107⅝	Treas 13pc 1990‡‡	112¼	+⅛	11.91	10.79
110⅞	105⅛	Exch. 12½pc 1990	108⅛	+⅛	11.63	10.76
93⅛	90½	Treas 8¼pc 1987-90‡‡	92⅞	+⅛	9.14	10.42
98⅞	90⅝	Treas. 10pcCv 1990	98⅞	+⅛	10.26	10.53
107	102⅞	Treas 11¾pc 1991	107	+¼	11.29	10.86
84⅛	79¼	Funding 5¾pc '87-91‡‡	79¾xd	.....	7.22	9.84
105¾	100⅞	Exch. 11pc 1991	101⅝xd	+¼	10.83	10.69
112⅝	107⅞	Treas 12¾pc 1992‡‡	112⅝	+¼	11.61	10.82
100⅝	94⅝	Treas 10pc 1992	98⅞	+¼	10.25	10.45
111⅛	104⅛	Exch. 12¼pc '92	108¾	+¼	11.42	10.90
117½	107¾	Exch 13½pc 1992	114⅛	+¼	11.90	11.01
113⅝	107¾	Treas 12½pc 1993‡‡	112¼	+¼	11.44	10.88
78¾	75⅜	Funding 6pc 1993‡‡	76	+⅛	7.94	10.06
121¾	116⅝	Treas 13¾pc 1993‡‡	121¼	+⅛	11.80	10.92
126¾	118⅝	Treas 14½pc 1994‡‡	123¼	+⅛	11.92	10.86
120⅝	113⅜	Exch 13½pc 1994	114⅛xd	+⅛	11.73	10.98
114⅛	106⅝	Exch. 12½pc 1994	111¼	+⅛	11.40	10.92
94½	91⅞	Treas 9pc 1994‡‡	98½	+⅛	9.93	10.43
109¾	104⅞	Treas 12pc 1995	109¼	+¼	11.24	10.90
64⅛	62¼	Gas 3pc '90-95	62⅞xd	.....	4.77	8.15
99⅛	95⅝	Exch. 10¼pc 1995	99⅛	+⅛	10.58	10.73
117⅝	111⅝	Treas 12¾pc 1995‡‡	111⅝xd	+⅜	11.30	10.79
122⅝	117¼	Treas. 14pc '96	122⅝	+⅛	11.71	10.98
94⅞	88⅛	Treas 9pc 1992-96‡‡	90⅞	.....	9.97	10.45
134⅞	127	Treas 15¼pc 1996‡‡	127¾xd	+¼	11.85	10.91
122⅛	115¾	Exch 13¼pc 1996‡‡	115¾xd	+½	11.32	10.68
69½	66¼	Redemption 3pc 1986-96	67¼	.....	4.47	6.98
120	115⅛	Treas 13¼pc 1997‡‡	119⅜	+¼	11.34	10.77
104½	97⅛	Exch 10½pc 1997	101⅛	+¼	10.53	10.53
92⅛	86⅜	Treas 8¾pc 1997‡‡	89⅛	+⅛	9.92	10.40
134⅝	126⅝	Exch. 15pc 1997	127⅝xd	+¼	11.69	10.94
66	64¼	Exch. 9¾pc '98 (£65pd)	66	+⅜	10.28	10.46
78	74⅜	Treas 6¾pc 1995-98‡‡	74⅝xd	–⅛	9.00	10.12
138⅝	130½	Treas. 15½pc '98‡‡	133¼	+¼	11.63	10.87
115	111	Exch. 12pc 1998	114½	+¼	10.93	10.65
96	93	Treas 9½pc 1999‡‡	96	+⅛	10.11	10.32
116¾	109⅞	Exch. 12¼pc 1999	112⅜	+¼	10.95	10.64

Over Fifteen Years

1984 High	Low	Stock	Price £	+ or –	Int.	Red.
104½	101⅛	Treas. 10½pc 1999	104½	+¼	10.46	10.44
102½	99¼	Conversn 10¼pc 1999	102½	+⅛	10.40	10.43
121½	117¼	Treas. 13pc 2000	121⅜	+¼	10.99	10.61
128½	123⅝	Treas. 14pc '98-01	128¼	+¼	11.39	10.80
113⅛	109¼	Exch. 12pc '99-02	112⅞	+¼	10.88	10.59
126½	122⅞	Treas. 13¾pc 2000-03	126½	+¼	11.12	10.65
114⅞	107⅝	Treas. 11½pc 2001-04	110¾	+¼	10.45	10.23
50	48⅝	Funding 3½pc '99-04	49½	.....	7.29	9.09
123⅝	119¼	Treas. 12½pc 2003-05	123½	+¼	10.53	10.26
87⅛	83	Treas. 8pc 2002-06‡‡	84⅝	+⅜	9.47	9.70
115⅝	110⅞	Treas. 11¾pc 2003-07	115⅜	+¼	10.41	10.19
132⅛	124¼	Treas. 13½pc '04-08	127½	+¼	10.63	10.29
64⅞	60⅜	Treas. 5½pc 2008-12‡‡	62⅞	+½	8.83	9.29
84⅛	81⅜	Treas. 7¾pc 2012-15	84⅛	+½	9.39	9.51
124½	120⅛	Exch. 12pc '13-'17	124⅜	+¼	9.96	9.85

Undated

1984 High	Low	Stock	Price £	+ or –	Int.	Red.
40⅞	39⅞	Consols 4pc	40⅞	+⅛	9.97	—
37⅝	36⅛	War Loan 3½pc‡‡	37⅝	+⅛	9.72	—
44⅞	42¼	Conv. 3½pc '61 Aft.	44½	.....	7.88	—
31⅝	30	Treas. 3pc '66 Aft.	30¼xd	.....	9.93	—
25¾	25⅛	Consols 2½pc	25¼xd	.....	9.91	—
26	24⅝	Treas. 2½pc	25⅛	.....	9.97	—

Index-Linked

1984 High	Low	Stock	(b)	Price £	+ or –	(1)	(2)
104¾	101⅝	Treas. 2pc '88	(297.1)	103	.....	3.61	4.44
91⅛	87½	Do. 2pc '90	(333.9)	89⅝	.....	3.65	4.23
106⅛	101½	Do. 2pc '96	(267.9)	105⅜	.....	3.32	3.61
98½	96	Do. 2½pc '99	(322.9)	98½	.....	2.76	3.00
97⅞	92⅞	Do. 2½pc '01	(308.8)	96⅛	–⅛	3.19	3.39
96⅞	92½	Do. 2½pc '03	(310.7)	96⅛	–⅛	3.15	3.35
99½	95⅜	Do. 2pc '06	(274.1)	99	.....	3.06	3.24
96	92⅛	Do 2½pc '09	(310.7)	96	.....	3.03	3.21
102⅞	96⅞	Do. 2½pc '11	(294.1)	100	.....	3.04	3.19
92⅞	88¼	Do. 2½pc '16	(322.0)	91½	–⅛	2.98	3.13
92	87¼	Do. 2½pc '20	(327.3)	89⅝xd	+⅜	2.97	3.09

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base month for indexing, ie 8 months prior to issue. RPI for February 1984: 344.0

INT. BANK AND O'SEAS GOVT STERLING ISSUES

1984 High	Low	Stock	Price £	+ or –	Int.	Red.
120½	114⅞	Australia 13½pc 2010	120½	+⅜	11.48	11.36
104¼	100	Do. 11⅜% Ln2015	101xd	+¼	11.21	11.18
101½	95¾	Euro Inv Bk 11pc Ln 2002	99¼xd	+⅜	11.15	11.15
108⅝	106⅞	Finland 14½pc Ln 1986	108⅛	.....	13.42	10.07
110⅝	103¼	Int-Am Dev Bk 12½pc 2003	110¼	+¼	11.68	11.55
106⅝	105¼	Int. Bank 13½pc 1986	106⅜	+⅜	12.69	10.03
109⅝	107¾	Do. 14pcLn 1987	109⅜	+⅜	12.80	10.26
104	101⅜	Mlysia 12¼pcLn '88	104	+⅛	11.78	11.04
100¼	94½	Mex 16½pc 2008	97¾	.....	17.18	17.11
110⅜	107⅞	NZ 14¼pc 1987	110⅜xd	+⅛	12.91	10.42
103⅞	97⅞	Do. 11¼pc 2008	98xd	+⅛	11.40	11.40
106¾	105	Sweden 13½pc 1986	106⅛xd	.....	12.73	9.90
117¼	110½	Sweden 13½pc Ln 2010	117¼	+⅛	11.81	11.69

CORPORATION LOANS

1984 High	Low	Stock	Price £	+ or –	Int.	Red.
102½	101	Bath 11¼pc 1985	102½	.....	10.97	9.49
103	102⅛	Birm'ham 12½pc 1985	103	.....	12.14	9.66
105¾	105	Burnley 13pc 1987	105⅜	.....	12.34	10.90
101¼	100¼	Cardiff 11pc 1986	101¼xd	.....	10.86	10.44
82	79⅛	GLC 6¾pc 1990-92	79½	.....	8.59	10.82
90¼	88½	Herts 6¾pc 1985-87	89⅝	.....	7.53	10.52
124	117½	Leeds 13½pc 2006	118½xd	+½	11.40	11.22
100⅛	99⅞	Liverpool 9¾pc '80-84	100	.....	9.75	9.29
30¼	28¼	Do. 3½pc Irred.	29	.....	12.26	—
99⅛	98¼	Lon.Cpn 9¼pc 84-85	99⅜	.....	9.31	9.68
99	98	LCC 5½pc '82-84	99	+⅛	5.56	9.05
87¼	85½	Do. 5½pc '85-87	86¼	.....	6.34	10.49
85	81½	Do 6¾pc '88-90	83½	.....	8.24	10.77
26¾	24¼	Do 3pc '20 Aft.	26½	.....	12.68	—
102	101½	Sunderland 12¼pc 1984	101⅝	+⅛	12.05	9.70

COMMONWEALTH AND AFRICAN LOANS

1984 High	Low	Stock	Price £	+ or –	Int.	Red.
82½	81	NZ 7¼pc 1988-92	81¼	.....	9.08	11.03
95⅝	93¼	Do. 7½pc '83-86	95¼	.....	8.06	11.16
181	179	S. Rhod. 2½pc Non-Ass.	180	.....	—	—
89	82	Do. 3½pc 20-85 Asstd.	88	.....	3.99	12.80
62	52½	Do. 4½pc 87-92 Asstd.	61	.....	7.47	12.40
375	330	Zimbabwe Ann (£100pd)	330	.....	—	13.18

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, H.P. AND LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

هكذا صنت الأهيل

INDUSTRIALS—Continued

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

INSURANCES

LEISURE

MINES—Continued

Australians

Tins

Miscellaneous

Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
Eastern Tms. Cns. 50c	£17½	.....	Q85c	4.9	2.4
Hampton Areas 10p	243	+6	3.75	2.1	2.1
Highwood Res.	190	−5	—	—	—
Homestake Mining $1	£23½	+⅜	Q20c	—	0.6
Northgate C$1	340	+5	—	—	—
RTZ	692	+12	17.0	2.9	3.5
Do. 9½pcLn '95-2000	£151	+1	Q9½%	32.5	6.4
Sabina Inds C$1	52	.....	—	—	—
Tara Expln $1	£10⅛	−⅛	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- "Tap Stock".
- Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- Interim since increased or resumed.
- Interim since reduced, passed or deferred.
- Tax-free to non-residents on application.
- Figures or report awaited.
- Not officially UK listed; dealings permitted under Rule 163(4)(a).
- USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- Dealt in under Rule 163(3).
- Price at time of suspension.
- Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- Merger bid or reorganisation in progress.
- Not comparable.
- Same interim, reduced final and/or reduced earnings indicated.
- Forecast dividend; cover on earnings updated by latest interim statement.
- Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- No par value.

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment. Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency

Stock	Price	+ or −	Stock	Price	+ or −
			Fin. 13% 97/02	£90½	.....
Albany Inv 20p	83	.....	Alliance Gas	79	.....
Craig & Rose £1	900	.....	Arnott	236	.....
Finlay Pkg. 5p	53	−2	CPI Hldgs	82	.....
Higsons Brew.	103	.....	Carroll Inds.	116	.....
Holt (Jos) 25p	870	.....	Hall (R. & H.)	62xd	−2½
Nthn. Gldsm. £1	150	.....	Helton Hldgs.	18	+1
			Irish Ropes	53	.....
IRISH			Jacob (W. & R.)	67	+2
Exch. 12% 1985	£98¾	.....	TMG	50	.....
Nat. 9¾% 84/89	£88	.....	Unidare	70	.....

OPTIONS

3-month call rates

Stock	Rate	Stock	Rate	Stock	Rate
Industrials		Hawker Sidd	38	Vickers	14
Allied-Lyons	15	Hse of Fraser	26	Woolworth Hldg.	50
BOC Grp	27	ICI	42		
BSR	26	"Imps"	12	Property	
Babcock	17	ICL	7½	Brit Land	13
Barclays Bank	45	Ladbroke	23	Cap Counties	16
Beecham	32	Legal & Gen.	45	Land Secs	25
Blue Circle	40	Lex Service	48	MEPC	25
Boots	16	Lloyds Bank	50	Peachey	17
...	50	Trust Houses	18	Cons Gold	56
...	20	Turner Newall	16	Lonrho	12
...	17½	Unilever	75	Rio T Zinc	60

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 39

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

INSURANCES

Insurances—continued

Capital Life Assurance				
Key Inv Fd	—	130.48	....	—
Pcmkr Inv Fd	—	130.1	....	—
Equity Fd	124.94	131.52	....	—
Fxd Int Fd	111.09	116.93	....	—
Propty Fd	105.09	110.62	....	—
Cash Fd	102.26	107.64	....	—
Mangd Fd	125.48	132.09	....	—
Col Inaut Life (Pension Annuities)				
ManCpA B	114.42	120.45	....	—
ManInvA B	115.26	121.34	....	—
Commercial Union Group				
St Helens, 1 Undershaft, EC3.			01-283 7500	
VarAmAccUts	—	168.13	....	—
VarAmApr13	—	36.49	....	—
Prime Series—Life				
Managed	140.6	148.1	+0.2	—
UK Equity	147.1	154.9	+1.0	—
Int Equity	132.3	139.3	−0.7	—
Property	105.5	110.6	....	—

Offshore & Overseas—continued

Money Market Trust Funds

Money Market Bank Accounts

F.T. CROSSWORD PUZZLE No. 5,389

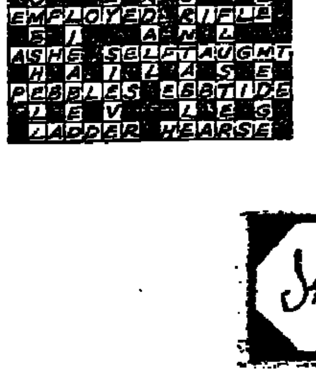
ACROSS

1 Encounter between strikers and delivery men (7, 5)
10 Hang around American pass (7)
11 Neat thief? (7)
12 Front cover for "The Housewife at Work" (5)
13 The man means to replace a church worker (8)
15 An informal message mother takes—and more, perhaps (10)
16 Cold individual going round at one time (4)
18 Place it within the borders of Singapore (4)
20 Scolding while counting away (7, 3)
22 Cooked nice cod, first taste of the western world (8)
24 Are back after work for entertainment (5)
26 Dried fruit placed before a ruler (7)
27 Grant obtained by Charles I on surrender (7)
28 Which means one's going to be late for one's punishment? (5, 7)

DOWN

2 Ring about rust in the soldier's platform (7)
3 Charwomen are thinner in the Civil Service (8)
4 Send a variety of remnants (4)
5 Thanks to the French, entirely in a compassionate manner (10)
6 One day up and I'm not in time to try (5)
7 It may be climbed by the chap getting an old car (7)
8 Nice and snug, having just popped up? (2, 4, 2, 5)
9 Theatre Royal? (6, 2, 5)
14 In a lower position, dare the nun to move (10)
17 It stops one dropping off Simon and Ian, perhaps (8)
19 Amused for a moment, went ahead (7)
21 Take too much in? (7)
23 Play a doctor and a mother (5)
25 Account to His Excellency for the pain (4)

Solution to Puzzle No. 5,388



INSURANCE & OVERSEAS MANAGED FUNDS

Balanced Fd	201.20	211.79	...	—
Smlr Co's & Recv. Fd	230.27	242.39	...	—
Int. Technology Fd	264.05	277.95	...	—
Nth. Amer. & Gen. Fd.	146.34	154.05	...	—
Energy Int. Fd	111.19	117.05	...	—
Pacific Basin Fund	164.81	173.49	...	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	121.9	128.3	...	—
Property	125.4	132.0	...	—
Equity	132.0	139.0	...	—
International	135.8	142.9	...	—
Fixed Interest	107.4	113.1	...	—
Deposit	102.0	1 7.4	...	—
Managed Pen. Cap.	121.8	128.2	...	—
Property Pens. Cap.	127.1	33.8	...	—
Equity Pens. Cap.	126.9	133.6	...	—
Intnl. Pens. Cap.	140.7	148.1	...	—
Fixed Int. Pens. Cap.	102.5	1 7.9	...	—
Deposit Pens. Cap.	98.6	103.8	...	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122.

Equity Gth March 1		103.6		—
Retmt. Fed. April 6	296.3		+21.1 +21.1	—
Managed Pen Fund	195.3	205.6	...	—
Property Pen Fund	115.6	121.7	...	—
Index Lnkd Pen Fund	110.0	115.7	...	—
Managed	129.9	136.8	+0.3	—
Property	106.7	112.4	+0.1	—
Gilt and Fixed Interest	110.9	116.8	+0.3	—
Index-Linked	97.2	102.4	...	—
Equity	131.5	138.5	+0.4	—
Cash	107.6	113.3	+0.3	—
Midland Bk. Unit Tst.	129.6	136.5	...	—
Midland Bank Intnl.	150.1	158.1	−0.7	—

Cannon Assurance Ltd.
1 Olympic Way, Wembley HA9 0NB. 01-902 8876

Equity Units	£42.22	—	−0.14	—
Property Units	£37.56	—	...	—
Equity Bond/Exec	£27.28	28.87	−0.09	—
Prop. Bond/Exec	£22.95	24.29	...	—
Bal. Bd./Exec/Unit	£24.48	25.90	−0.03	—
2nd Equity Acc	212.1	224.4	−0.7	—
2nd High Inc/Acc	175.8	186.8	+0.7	—
2nd Property Acc	174.8	185.0	...	—
2nd Managed Acc.	177.1	187.4	−0.1	—
2nd Deposit Acc	148.1	156.7	...	—
2nd Gilt Acc.	148.5	157.1	+0.1	—
2nd American Acc	162.3	171.7	−0.5	—
2nd Intl Money Acc	148.8	157.5	+0.3	—
2nd Index Acc.	98.0	103.7	−0.2	—
2nd Far East Acc.	110.3	116.7	+0.6	—
2nd Eq. Pens./Acc.	303.1	320.7	−1.3	—
2nd Hi Inc Pens/Acc.	188.3	199.3	+0.9	—
2nd Prp. Pens/Acc	225.5	238.6	...	—
2nd Mgd. Pens/Acc	228.9	242.2	−0.1	—
2nd Dep. Pens/Acc	197.3	208.8	...	—
Gilt Pens/Acc.	194.7	206.0	+0.2	—
2nd Am. Pens/Acc	221.4	234.3	−0.5	—
2ndIm.MoneyPens/Acc	184.9	195.7	+0.4	—
2nd Index Pens./Acc.	104.5	110.6	−0.2	—
2nd Far East Pens/Acc.	112.3	118.8	+0.8	—
L & E S.I.F.	77.0	81.5	...	—
L & E S.I.F. 2	52.0	55.0	−0.5	—

Current value at April 6.

Capital Life Assurance
Continued on adjacent Page Mon-Fri and Stock Exchange Dealings Page Sat.

Chieftain Assurance Funds
11 New Street, EC2M 4TP. 01-283 3933

Managed Growth	209.63	220.67	...	—
Managed Income	101.62	106.97	...	—
International	145.38	153.04	...	—
High Income	128.40	135.15	...	—
Income & Growth	135.10	142.21	...	—
Basic Resources	146.17	153.86	...	—
American	157.78	166.09	...	—
Far Eastern (z)	220.68	232.30	...	—
Smaller Cos	138.52	145.81	...	—

Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		268.5	...	—
Portfolio Fd. Init.		217.5	...	—

See adjacent page Mon-Fri and Stock Exchange Dealings page Sat.

Gresham Unit Ass. Ltd.
2-6, Prince of Wales Rd. B'mouth. 0202 767655

Managed Fd.	285.6	301.0	...	—
Money Fd	158.7	167.1	...	—
Equity Fd.	242.0	255.0	...	—
Fixed Int. Fd.	121.2	127.7	...	—
Property Fd	176.2	185.7	...	—
Managed Pen. Fd.	280.9	296.0	...	—
Equity Pension Fd	189.2	199.0	...	—
Fixed Int. Pen. Fd	173.2	182.5	...	—
High Yield Pen. Fd.	170.7	179.9	...	—
Money Pension Fd.	132.6	139.6	...	—
Property Pension Fd.	129.9	136.9	...	—
Gresham/Framlington				
American & Gen. Fd.	225.7	237.8	−0.8	—
Income Fd	215.5	227.1	−1.1	—
Int'l. Growth Fd	267.2	281.6	−3.5	—
Capital Fund	224.2	236.3	−0.9	—
Recovery Fund	164.9	173.8	−1.6	—
Japan & Gen Fd	103.3	108.9	−0.8	—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Flexible Finance	£1.536	—	...	—
Landbank Secs.	£0.6674		...	—
Landbank Secs. Acc.	189.2	194.1	...	—
G. & S. Super Fd.	£11.5390	—	...	—

Guardian Royal Exchange
Royal Exchange, EC3. 01-283 7101

Guardian Assurance				
Property Bonds	313.5	326.5	...	—
GRE Linked Assurance Ltd.				
Managed Initial	229.6	241.7	−0.7	—
Do. Accum	257.4	271.2	−0.7	—
Equity Initial	296.6	312.2	+0.1	—
Do. Accum	332.8	350.3	+0.2	—
Fixed Int. Initial	199.3	209.8	+0.2	—
Do. Accum.	223.6	235.4	+0.2	—
Intnl. Initial	213.9	225.1	−0.4	—
Do. Accum	240.0	252.6	−0.4	—
North American Initial	92.1	97.0	+0.3	—
Do. Accum	94.1	99.1	+0.4	—
Pacific Initial	116.4	122.6	−0.9	—
Do. Accum	117.7	123.9	−0.9	—
Index-Linked Gilt Init.	92.9	97.8	...	—
Do Accum	94.9	99.9	...	—
Property Initial	123.5	130.0	...	—
Do Accum	138.5	145.8	...	—
Deposit Initial	124.6	131.2	+0.2	—
Deposit Accum.	139.8	147.2	+0.3	—
GRE Pensions Management Ltd.				
Pens. Managed Initial	231.8	244.0	−0.5	—
Pens. Managed Acc.	254.2	267.6	−1.1	—
Pens. Equity Initial	318.9	335.7	+0.2	—
Pens. Equity Acc.	349.8	368.2	+0.3	—
Pens. Fxd. Int. Initial	207.8	218.7	+0.1	—
Pens. Fixed Int. Acc.	227.9	239.9	+0.2	—
Pens. Int'l Initial	210.5	221.7	−2.5	—
Pens. Int'l. Acc.	230.9	243.1	−2.7	—

Continued on adjacent Page Mon-Fri and Stock Exchange Dealings Page Sat.

Hambro Life Assurance P.L.C.
Allied Hambro Ctr, Swindon, SN1 1EL 0793 28291

Fixed Int. Dep. Acc.	190.1	200.2	...	—
Equity Acc.	432.9	455.7	...	—
Property Acc.	288.2	303.4	...	—
Managed Cap.	243.0	255.8	...	—
Managed Acc.	373.8	393.5	...	—
O'seas Earnings Acc.	280.8	295.6	...	—
Gilt Edged Acc.	217.8	229.3	...	—
American Equity Acc.	227.8	239.8	...	—
American Man Acc.	123.1	129.6	...	—
American Prop Acc.	108.0	113.7	...	—
Pen.F.I.Dep.Cap.	206.9	217.8	...	—

Lloyds Life Assurance—cont.
Portmore Funds—Series A

American Apr 3	156.9	165.2	...	—
Australian Apr 3	117.2	123.4	...	—
British Apr 3	144.4	152.0	...	—
Commodity Apr 3	139.3	146.7	...	—
Extra Inc Apr 3	140.9	148.4	...	—
Far Eastern April 3	130.0	136.9	...	—
Gilt April 3	105.0	110.6	...	—
Global Strat April 3	192.0	202.2	...	—
Gold Share April 3	82.6	87.0	...	—
High Inc April 3	137.7	145.0	...	—
Income April 3	170.1	179.1	...	—
Japan April 3	200.5	211.1	...	—
Oil and Energy April 3	127.1	133.8	...	—
Special Sits April 3	153.9	162.0	...	—
UK Smllr Cos April 3	144.7	152.4	...	—
Man Gwt April 3	164.6	173.3	...	—

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393

'Asset Builder'	68.7	72.7	...	—

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511.

Money Mngr April 2	66.4	71.3	...	—
MM Flexible April 6	57.1	60.2	...	—
Fixed Interest April 2	57.7	60.9	+0.1	—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179
See adjacent page Mon-Fri and Stock Exchange Dealings page Sat.

London & Manchester Group
Winslade Park, Exeter EX5 1DS. 0392 52155

	Cap	Acc		Rd N/C
Invest Trust Fd.	320.9	346.2	−2.7	362.7
Property Fd	117.9	126.6	...	131.9
Fixed Int Fd.	143.0	153.7	+0.3	—
Equity Fd	142.8	153.2	+0.6	—
Intnl Fd	128.1	137.2	−2.1	—
Guaranteed Dep Fd	140.0	149.1	...	213.8
Flexible Fd	193.3	207.6	−0.9	—
Moneymaker Fd.	—	181.3	−0.6	—
Cap Growth Fd.	—	454.9	+1.1	—
Exempt Inv Tst Fd.	488.5	520.8	−1.5	—
Exempt Inv Nom Shs.	—	515.8	−1.5	529.6
Exempt Ppty Fd.	190.4	208.2	...	—
Exempt Ppty Nom Shs.	19.5	201.1	...	206.4
Exempt Fixed Int Fd.	109.9	117.0	...	—
Exempt Equity Fd	125.1	133.0	−1.1	—
Exempt Gtd Dep Fd.	106.0	112.6	...	—
Exempt Flex Fd.	262.2	279.6	−1.2	—
Exempt Flex Nom Shs.	—	276.8	−1.3	283.6

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU. 01-680 0606

Property Fund		292.2	...	—
Property Fund (A)		283.7	...	—
Agricultural Fund		1,149.4	...	—
Agric. Fund (A)		1,117.7	...	—
Abbey Nat. Fund		232.5	...	—
Abbey Nat. Fd. (A)		232.5	...	—
Investment Fund		145.5	...	—
Investment Fund (A)		142.3	...	—
Equity Fund	460.0		−2.5 −2.5	—
Equity Fund (A)	458.8		−2.9 −2.9	—
Money Fund	223.8		+0.5 +0.5	—
Money Fund (A)	219.4		+0.4 +0.4	—
Actuarial Fund		234.2	...	—
Gilt-edged Fund	197.7		+1.3 +1.3	—
Gilt-Edged Fd. (A)	197.7		+1.3 +1.3	—
Retire Annuity		365.0	...	—
Immed. Ann'ty		192.0	...	—
International Fd		367.4	...	—
Bldg. Soc. Life Fd.		108.7	...	—

Property Growth Pensions & Annuities Ltd.

All Wither Ac. Uts.	282.9	297.8	...	—
Inv. Fd. Uts.		316.2	...	—
Pension Fd. Uts.		264.4	...	—
Conv. Pens. Fd.		309.8	...	—
Cnv. Pns. Cap. Ut.		228.0	...	—
Man. Pens. Fd.		367.0	...	—
Man. Pens. Cap. Ut.		281.0	...	—
Prop. Pens. Fd.		291.7	...	—
Prop. Pens Cap.Uts.		217.4	...	—
Bldg. Soc. Pen. Ut.		269.1	...	—
Bldg. Soc. Cap. Ut.		203.5	...	—
Gilts Pens. Fd.		178.9	+0.8	—
Gilts Pens. Fd. Cap.		153.9	+0.6	—
Equity Pens. Fd.		291.4	+0.3	—
Equity Pens. Fd. Cap		250.6	+0.2	—
Intl Pens Fd		102.2	...	—
Intl Pens Fd Cap		101.1	...	—

Providence Capitol Life Assc. Co. Ltd.
30 Uxbridge Road, W12 8PG. 01-749 9111

Equity Acc.	117.4	123.9	−0.9	—
Fixed Interest Acc.	93.3	98.5	+0.4	—
Intnl. Acc.	85.3	90.0	+0.5	—
Managed Acc.	96.9	102.2	−0.3	—
Property Acc.	117.1	123.6	+0.3	—
Money Acc.	76.1	80.3	...	—
Special Market Acc.	73.4	77.5	−0.5	—
Japan Acc.	74.9	79.1	−1.8	—
North America Acc.	66.6	70.3	−0.8	—
Pacific Acc.	55.9	59.0	+0.1	—
Technology Acc.	78.5	82.9	+0.6	—
Nat. Resources Acc.	54.3	57.3	−2.0	—
Japan Growth Acc.	105.4	111.2	−0.6	—
Individual Pension Funds				
Equity Acc.	118.2	116.3	−1.0	—
Fixed Interest Acc.	95.7	101.0	+0.5	—

Standard Life Assurance Company
3 George St., Edinburgh EH2 2XZ. 031-225 2552.

Managed	217.0	228.5	+1.0	—
Property	155.4	163.6	...	—
Equity	265.6	279.6	+3.0	—
International	205.8	216.7	−0.9	—
Fixed Interest	177.0	186.4	+0.4	—
Index Linked	97.9	103.1	...	—
Cash	134.1	141.2	+0.1	—
Pension Managed	256.8	270.4	+2.0	—
Pension Property	159.6	168.0	+0.1	—
Pension Equity	319.4	336.3	+2.6	—
Pension Intl.	247.2	260.3	−1.3	—
Pension Fxd. Int.	187.8	197.7	+0.7	—
Pension Index Linked	98.9	104.2	...	—
Pension Cash	153.1	161.2	+0.1	—

Sun Alliance Insurance Group
Sun Alliance House, Horsham. 0403 64141

	Series (2)			(1) Bid
Managed Fund	255.6	269.1	...	256.2
Index Linked Fund	112.3	118.3	+0.1	113.1
Equity Fund	325.2	342.4	+0.9	326.0
Fixed Interest Fund	208.3	219.3	+0.3	208.8
Property Fund	221.7	233.4	...	222.3
International Fd	193.4	203.6	−0.9	193.8
Deposit Fund	147.3	155.1	...	147.7
Int Bond April 3	—	—	...	£23.78

Series (2) Prices are for policies issued after 11/7/1982. Series (1) These are bid prices for earlier policies.

Individual Pension Funds				
Managed	163.0	171.6	+0.2	—
Index Linked	130.8	137.7	...	—
Equity	166.6	175.6	+0.6	—
Fixed Int.	174.1	183.3	+0.6	—
Property	117.9	124.2	...	—
International	163.8	172.5	−0.8	—
Deposit	117.4	123.6	...	—

*Group Pension funds—Prices available on request.

Sun Life of Canada (UK) Ltd.
2, 3, 4, Cockspur St., SW1Y 5BH 01-930 5400

Maple Leaf Plans				
Growth Account	501.0	—	...	—
Managed Account	290.5	—	−2.0	—
Equity Account	337.0	—	−4.8	—
Managed Fd. Accum.	139.1	146.5	−1.0	—
Equity Fd. Accum	153.7	161.8	−2.3	—
Property Fd. Accum	110.0	115.8	+0.2	—
Fixed Int. Fd. Accum.	130.6	137.5	−0.4	—
Intnl. Fd. Accum	170.6	179.6	−2.3	—
Money Fd. Accum	108.2	113.9	−0.2	—
Index-Ld.Sc.Fd.Accm.	104.8	110.3	+0.5	—
Pension Plans				
Pers. Pens. Account	516.7	—	...	—
Pens. Mgd.Acc.Accm	240.6	253.3	...	—

Sun Life Unit Assurance Ltd.
St James Barton, Bristol BS1 3TH. 0272 426911

Bank of America International S.A.
35 Boulevard Royal, Luxembourg G.D.

Worldinvest Inc$	$118.53	119.13	...	6.08

Valued weekly on Wednesdays.

Barclays Unicorn International
1, Charing Cross, St. Helier, Jersey. 0534 73741

Unigilt Trust	45.4	47.2	...	10.60
Unidollar Trust	$16.09	17.08	...	1.10
Unibond Trust	$91.97	92.76	...	10.7

1, Thomas St. Douglas, Isle of Man 0624 23252

Uni-Australian Tst.	88.6	94.3	...	1.20
Uni-Aust. Mineral Tst.	73.6	78.3	...	1.40
Uni-Pacific Trust	203.4	216.4	...	—
Uni-International Tst.	79.9	85.0	...	0.50

Bishopsgate Commodity Ser. Ltd.
P.O. Box 42, Douglas, I.o.M. 0624-23911

ARMAC* March 5	$56.65	60.23	...	—
COUNT**March 5	£3.663	3.885	...	1.351
CANRHO** March 5	2.475	2.625	...	—

Original issue. *$10 and **£1. Next val. May 8.

Bridge Management Ltd.
GPO Box 590, Hong Kong

Nissho Star 31 (10for1)	Y5,120	5,260	...	5.125
Nippon Fd April 5	$4.71	36.26	...	0.63

Britannia Intl. Investment Mngmt. Ltd.
Box 271, Queensway House, Queen Street, St. Helier, Jersey, C.I. 0534-73114

U.S. Dollar Denominated Funds				
AmSmallerCos.Fd.	$1.945	2.091	+0.003	—
Dollar Inc Fd.	$0.792	0.847xd	−0.001	11.00
$ Mngd Curr'cy Fd	$9.52	10.03	+0.05	6.25
Intl High Inc	$1.99	2.10	...	—
Gold Fund	$1.136	1.242	+0.006	4.27
Jap Dollar Perf.	$1.001	1.076	+0.008	—
Normandia In SFct	$12.15	13.07	...	—
Universal Grwth Fd	$0.929	0.999	+0.013	—
World of Leisure	$0.943	1.014	+0.003	—
World of Tech	$0.763	0.818	−0.006	—
Managed Portfolio	$0.954	1.010	+0.002	—
Sterling Denominated Funds				
American Invests	87.2	93.8	+0.2	—
Australian Perf Fd	86.6	93.1	−0.1	—
Far East Fund	120.6	129.7	+0.6	1.00
Jersey Energy Tst	17.6	18.9	+0.2	—
Jersey Gilt	22.3	23.8	+0.1	11.55
UK Growth Fund	57.6	61.9	...	2.91
USM Fund	141.4	152.0	−0.4	—
Managed Portfolio	0.931	1.007	−0.001	—
Sterling Deposit Funds				
Mngd Currency (Inc)	£13.62	14.34xd	−0.02	5.00
Cap Dep Tst	£16.59	16.60	+0.02	0.25
Britannia Fund Managers I.o.M.				
Gilt Trust (I.O.M.)	99.6	104.9	...	11.39

Hambro Pacific Fund Mgmt. Ltd.
2110, Connaught Centre, Hong Kong

Far East April 4	$4.53	4.89	...	—
Japan Fd April 6	$19.06	20.41	...	—

Hambros Fd. Mgrs. (C.I.) Ltd.
P O Box 86, Guernsey. 0481-26521

Capital Reserve Fund	17.53	17.54	...	0.23
C.I. Fund	388.5	413.7	...	2.10
Special Sits. Fund	152.1	160.2xd	...	1.98
Sterling Income Fund	112.1	117.0	...	10.26
Dollar Income Fund	$1.015	1.060	...	11.32
Trans. Nat. Trust	$1.152	1.213xd	...	1.81
Intnl. Bond	$101.33	106.94	...	10.25
Int. Equity	$22.33	23.51	...	0.51
Int. Svgs. 'A' $US	$1.71	1.80	...	—
Int. Svgs. 'B'	$2.45	2.58	...	—
Galleon Ass Fd A	$1.147	1.153	...	—
Amer Spec Accts	$0.86	0.91	...	—
Amer. Equity Inc.	46.6	49.1	−0.9	6.62

Henderson Admin. & Man. (Guernsey)
PO Box 71, St. Peter Port, Guernsey 0481 26541

American (US cents)	144.1	153.3	...	—
Ntrl. Res. (U.S. cents)	131.4	139.8	...	—
Gilt Fund	£10.78	11.43	...	10.94
Prime Res. Props.	£0.99	1.06	...	—

Henderson Baring Group
1901, Edinburgh Tower, Hongkong

Australia	$10.86	11.70	...	1.71
Hong Kong	$11.38	12.22	−0.14	2.87
Japan Tech.	33.97	36.29	...	—
Japan Fund	$45.43	46.55	...	0.38
Malay Sing.	$22.40	24.13	...	1.07
Pacific Fd.	$16.864	17.707	...	1.38
Pacific Intl Fd.	$11.02	11.57	−0.17	—
Bond Fd.	$10.800	11.340	...	10.53

Hill-Samuel & Co. (Guernsey) Ltd.
8 Le Fevre St., St. Peter Port, Guernsey, C.I.

Guernsey Tst.	333.7	353.2	...	2.38

Hill Samuel Investment Mgmt. Intnl.
P.O. Box 63, Jersey. 0534 76029

UK Equities (C.I. Fd.)	219.0	231.9xd	−2.6	2.77
UK Gilt (Jy. Fxd. Int.)	112.0	118.0	...	10.5
Int. Man. (Growth Fd.)	180.3	194.4	−4.2	—
Int. Currency Fund				
D. Mark		DM43.62	...	—
£ Sterling		£11.72	+0.01	—
Swiss Franc		SF36.24	+0.01	—
Jap Yen		Y3,580	+1	—
U.S. $		$23.44	...	—
Managed Fund	£13.13	13.79	−0.03	—

Box 2622, Berne, Switzerland. Telex 33425.

H.S. Overseas Fd.	$25.68	26.94	−0.55	—
Balanced (CSF Fund)	SF23.87	25.59	−0.05	—
Far East (Crossbow)	SF9.76	10.45	−0.15	—
Technology (ITF Fd)	$15.83	16.99	−0.39	—

HK Fund Managers (Jersey) Ltd.
Hongkong Bank Bldg., Grenville St., St. Helier, CI. 0534 71460

HK Gilt Fund Acc.	1.26	1.31	...	—
HK Gilt Fund (Dist.)	1.05	1.10	...	10.23

I.C. Trust Managers Ltd.
10, St. Georges St., Douglas, IoM. 0624 25015

Richmond Life Ass. Ltd.
4 Hill Street, Douglas, IoM. 0624 23914

Coin Trust	20.8	22.4	...	—
Diamond Bond	50.2	53.9	...	—
Gold Bond	247.1	262.7	−0.9	—
Sterling Deposit Bd.	175.65	184.38	+0.04	8.51
Uk Gilt Fund	168.2	178.8	−0.8	—

Rothschild Asset Management (C.I.)
St Julian's Ct, St Peter Pt, Guernsey. 0481 26741

OC America Fd.*	$2.89	3.06	−0.29	1.42
OC Sm Co***	206.2	219.3xd	...	1.42
OC Commodity†	129.8	138.0	...	2.20
OC $ Comdty*	$36.40	38.58	−2.15	1.79
OC HongingFdty	HK$36.53	38.86xd	...	—

*Prices March 21. Next dealing April 9. †Prices March 30. Next dealing April 13. ***Prices March 30. Next dealing April 13. ††Dealings every Wednesday.

OC Intl Reserves Ltd. 0481-26741 26331
See adjacent page Mon-Fri and Stock Exchange Dealings page Sat.

Rothschild Australia Asset Mgt Ltd.
17 Bridge St, Sydney 2000, Australia

Five Arrows Aust. Eq.	A$1.47	1.50	...	6.2

Royal Bank of Canada Funds
RBC Invest Managers Ltd
PO Box 246, St Peter Port, Guernsey 0481 23021

Intl Income Fd	$9.72	10.34	...	—
Intl Capital Fd.	$15.90	17.24xd	...	—
North America Fd	$6.54	7.16	...	—
Far East & Pacific Fd	$9.96	10.54	...	—
RBC Intl Currencies Fd Ltd				
U S $		$22.35	+0.01	—
Canadian $		$27.79	+0.01	—
£ Sterling		£11.23	...	—
D-Mark		DM52.81	...	—
Swiss Francs		SF41.33	+0.01	—
Japanese Yen		Y6,410	+1.0	—
Managed Fund		$21.23	...	—

Daily Dealings.

Royal Trust Intnl. Fd. Mngt. Ltd (x)
PO Box 194, St Helier, Jersey. 0534 27441

Sterling Fxd Int Fd.	£0.868	0.878	...	8.65(D)
International Secs.	$1.198	1.245	...	0.84(D)
International Bond	$0.850	0.861	...	10.58

Prices on April 4. Next dealing April 11.

SCI/Tech S.A.
2 Boulevard Royal, Luxembourg.

SCI/Tech Nav	$10.40	—	−0.11	—

Save & Prosper International
Dealing to
P.O. Box 73, St. Helier, Jersey 0534 73933

Fixed Interest Funds				
Deutschemark Bd*	DM10.37	10.99xd	...	5.00
Dllr Fxd Int*	$9.41	9.01	...	9.77
St. Fixed†‡	118.3	125.1	+0.4	11.19
Yen Bond*	Y1,505	1,586xd	...	2.84
Equity Funds				
UK Growth†‡	152.5	164.9	+0.4	1.46
Internatl. Gr ‡	$11.50	12.44	+0.01	—
Far Eastern‡	$24.65	26.65	−0.03	—
North American‡	$7.48	8.09xd	−0.07	—

OFFSHORE AND OVERSEAS

COMMODITIES AND AGRICULTURE

Selling hits zinc and aluminium

BY JOHN EDWARDS, COMMODITIES EDITOR

ALUMINIUM and zinc bore the brunt of heavy speculative selling which hit the London Metal Exchange yesterday, encouraged by the firmer trend in sterling against the dollar.

Cash aluminium closed £30 down at £951.5 a tonne in spite of a heavy drop in LME warehouse stocks reducing total holdings by 16,025 tonnes to 183,425 tonnes, the lowest level for over two years.

Dealers said the stocks fall caused only a temporary halt in the downward slide. There is some apprehension that today's world stocks figures, issued by the International Primary Aluminium Institute, may well show an increase.

News of a rise in LME stocks of zinc, which rose by 1,350 to 49,650 tonnes, triggered off further selling in a highly nervous market. Cash zinc tumbled by £22 to £690.5 a tonne, while the three months quotation lost £15.5 to £681.75.

Zinc traders seemed to ignore reports from Australia that the stoppage at the Broken Hill lead-zinc mining complex could go on for some time. However, this did help boost lead in early dealings. So did news that the strikers at St Joe Minerals' lead mines in Missouri were preparing for a long battle.

A decline of 1,350 in lead stocks, cutting total holdings to 125,775 tonnes, also helped push prices to two-year highs in the morning before they fell back in the afternoon to close marginally lower.

Copper stocks fell for the eighth week in succession, declining by 9,625 to 310,300 tonnes. However, prices lost ground in line with other metals in the afternoon after opening on a firmer note.

A fall in nickel stocks of 276 to 29,922 tonnes failed to prevent the cash price closing £54.5 lower at £3,442.5 a tonne joining the general easier trend. Tin stocks dropped once again by 1,395 to 29,965 tonnes, but prices were barely changed.

LME silver holdings rose by 740,000 ounces to a new record level of 51,348,000 ounces.

Tea prices recover at London auctions

By Our Commodities Staff

TEA PRICES staged a minor recovery at the London auctions yesterday after many weeks of declining from the peak levels reached in January.

Price indications by the Tea Brokers Association put quality teas unchanged at 282p a kilo but raised medium grade to 250p against 247p last week and low medium to 220p against 216p. The average price for all teas is expected to be slightly higher than last week's figure of 247.44p a kilo, which was the lowest for 4½ months.

London dealers hope the Indian Government may announce later this week that it is lifting the ban imposed in December on exports of CTC (crush, tear and curl) teas in time for the first shipments of new season supplies next month.

The Indian Commerce Minister, Mr Vishwanath Pratap Singh, who is due to announce the new season's tea export policy soon, last week described the CTC ban as a temporary measure.

• BRITISH sugar beet sowings cover between 75 per cent and 80 per cent of the contracted area of 200,000 hectares against 26.99 per cent at the same time last year, British Sugar said.

• NIGERIA has signed an agreement to buy 400,000 tonnes of rice from Thailand with shipments to start next week, and a contract with Pakistan for the purchase of 180,000 tonnes of rice, Mr Mahmud Tukur, Commerce Minister, said.

• INTERNATIONAL Coffee Organisation producing countries have set up two working groups to try to establish the criteria for allocating annual export shares for the coffee year starting on October 1, ICO said.

Zimbabwe reaps a crucial tobacco crop

BY TONY HAWKINS IN HARARE

ZIMBABWE'S flue-cured tobacco auctions open at two floors in Harare today against the background of a severe foreign payments crisis. Tobacco is far and away Zimbabwe's chief export, providing more than 20 per cent of foreign exchange earnings, and so this year's sales are more crucial than ever.

Happily, the omens are encouraging. Industry sources describe the crop as a vintage one—likely to include some of the best leaf produced here in the last 10 to 15 years.

Tobacco is a hardy weed and has withstood a third successive year of widespread drought better than most other crops have. A year ago, the 1,185 Virginia flue-cured growers were set a target of 110m kg of leaf, and latest estimates suggest that crop deliveries will come within 1 per cent of this target.

The 110m kg represents the green weight of tobacco, which will pack down to some 96m kg. To this must be added some 12m to 15m kg of uncommitted leaf from last year, giving a crop for sale in 1984 of close to 110m kg.

Last year, Zimbabwe produced a crop of some 94.3m kg which sold in the market for almost Zimbabwe $178m (£110m) at an average price of 188 Zimbabwe cents (£1.16 a kg).

In Zimbabwe dollar terms, the value of the flue-cured crop has increased more than 80 per cent since sanctions against Zimbabwe tobacco were lifted just over four years ago.

There are four main reasons for this: the lifting of sanctions, the policy of controlled production, the steep depreciation of the Zimbabwe dollar against the U.S. currency which has given the local producer a competitive edge, and the industry's success in reassuring the trade of continuity in its ability to supply high-quality leaf in desired volumes.

This control over production is reflected in the relatively gentle output expansion. In 1979-80, the Zimbabwe industry produced a crop of 122.6m kg, but the average price of only 79.4 Zimbabwe cents a kg was too low for growers faced with rapidly - escalating costs, especially labour, fuel and chemicals.

Accordingly, output was restricted to 70m kg in 1981 and 87m kg in 1982, and the average price more than doubled in 1981, to 183 Zimbabwe cents a kg, before slipping back to 168 Zimbabwe cents in 1982 at which time the Zimbabwe dollar was substantially overvalued.

The 20 per cent devaluation of the Zimbabwe dollar at the end of 1982 gave the industry a shot in the arm, and the further depreciation of the currency should encourage buyers at the auctions over the next four months.

In 1980, when the Zimbabwe dollar was worth U.S.$1.5, the Zimbabwe grower received only 80 Zimbabwe cent for leaf selling at a US$ price of 125 cents. Last year, however, after devaluation, the grower here obtained 188 Zimbabwe cents for leaf selling at 184 U.S. cents.

Given the enhanced leaf quality and the further currency depreciation, growers are hoping for an average price in the region of 210 U.S. cents which would, at present exchange rates, represent an unchanged U.S. price of 184 cents a Kg.

The growers need the increase to compensate for an estimated 17 per cent rise in production costs. There were fears that exports would be hard hit by swingeing railway tariff increases on the South African railways.

Originally, the railways in South Africa had proposed more than doubling the tariff on leaf exports from Zimbabwe. Now in return for a volume of traffic agreement, the tariff increase has been trimmed to a more palatable 20 per cent.

Tobacco producers anticipate further substantial cost increases later this year. A major increase in fertilizer prices is expected, and with real wages on the decline in the face of Zimbabwe's 20 per cent inflation rate last year, a further wage-round, albeit only a modest one, is likely.

As long as the currency continues to slide, these cost increases can be absorbed, but if the U.S. dollar should resume its decline of earlier this year, then the Zimbabwe producers will lose some of their competitive edge.

Barring a steep U.S. dollar slide, Zimbabwean leaf should do well this year. Its main competition—from Brazil—is likely to focus on the lower-stalk filler grades. This may keep something of a rein on auction floor prices early in the season, but once the leaf proper is offered, prices should strengthen materially.

Gross income to Zimbabwe growers in 1984 is being forecast at Zimbabwe $230m, while export values could be about Zimbabwe $260m—an increase of some 30 per cent in U.S. dollar terms.

This year, following the failure of the maize crop for the third successive year, Zimbabwe desperately needs the foreign currency that the flue-cured leaf should earn. Latest crop estimates put maize deliveries in 1984 at a paltry 600,000 tonnes—less than half Zimbabwe's annual consumption.

With stocks likely to run out at the end of April, the country will have to import some 600,000 to 700,000 tonnes of maize at a foreign exchange cost of £125m and 150,000 tonnes of wheat costing nearly £30m—absorbing all tobacco's foreign earnings.

In the success of the tobacco industry lurks one further problem for Mr Robert Mugabe's government.

An increasing number of farmers want to grow at least some tobacco to cushion them from the worst effects of drought. But if more farmers switch into tobacco, the danger of over-production of this export crop will increase while under-production of maize—as in the past two seasons — will intensify.

To avoid this situation, the Government will have to get its price signals right, which suggests a significantly higher price for grain producers next season. This, however, will have a high political cost, for it will mean rising food prices for the people.

Indian jute industry strike called off

By P. C. Mahanti in Calcutta

THE 88-day strike in the Indian jute industry has been called off with the employers accepting most of the workers' demands, including a substantial increase in wages, grades and scales of pay, and with workload norms to be fixed within a reasonably short time.

The strike has left the industry in a battered shape with some 294,000 tonnes of goods output worth 2.5bn rupees (£160m) lost and an export loss of 70,000 tonnes valued at 700m rupees.

A particularly immediate worry concerns raw jute supplies which it is estimated will be at least 10 per cent less than the estimated demand till next August, when new crop will begin to arrive. Two successive lean fibre seasons have left inadequate supplies in the pipeline while the Government has refused to allow imports from Bangladesh or Thailand. The industry wanted at least 500,000 bales imported.

Before the strike began raw jute prices had soared to an unprecedented 340 rupees a quintal in the Calcutta market against a statutory minimum of 225 rupees a quintal. Prices are now firm at that level and tend to harden further.

Mr K. K. Bajoria, chairman of the Indian Jute Mills Association, said the industry did not face problems with demand because the prolonged strike had caused shortages of jute goods for both the domestic and exports markets. The problem, however, is how to resume normal production quickly in view of the raw jute shortage and the time the workers will take to return from their villages.

As for resuming export shipments, this depends how long the present port strike persists.

The U.S. market for carpet backing remains particularly unsatisfied since Bangladesh has been unable to fill the gap

Further Common Market farm price cuts urged

BY RICHARD MOONEY

A POLICY of progressive price cuts is the only alternative to mounting expenditure on the EEC's Common Agricultural Policy, according to the latest issue of Agra Europe, the Brussels-based agricultural intelligence bulletin.

The agricultural support bill will not stabilise at a reasonable level until the profit of the efficient producer is reduced to a "normal" level, it says.

While praising EEC agriculture ministers for agreeing to cut prices of some commodities and "putting the lid on the further growth of dairy surpluses," it attacks the "total lack of action on other sectors which are over-ripe for reform."

It lists cereals, beef, wine, olive oil and rapeseed under this heading.

On the dairy quota system, it says "the quota has built into it such a massive level of over-production that the burden on the taxpayer will remain large and tend to increase." Moreover, major flaws in the system will ensure the "maximum disruption of the dairy industry."

Government prepares changes to Fowl Pest Order

BY KEVIN BROWN

THE Government yesterday announced changes in the law to control the distribution of animal food suspected of causing fowl pest in chickens.

Mr Michael Jopling, the Agricultural Minister, told the Commons that 420,000 birds had been slaughtered in 11 outbreaks around the country.

The source of the disease has been traced to the Huskisson and Alexandra storage areas in the Port of Liverpool, where food is thought to have been contaminated by feral pigeons.

Mr Jopling said no food was now leaving the port without a warning to farmers, but an amendment to the Fowl Pest Order was being urgently prepared so that the two storage places could be declared infected areas. Further movements of foodstuffs would then require a licence.

The Government was heavily criticised by some MPs from rural constituencies for not moving more quickly to prevent contaminated food leaving Liverpool.

Mr David Steel, the Liberal leader, said the disease had cost farmers millions of pounds and would threaten summer jobs in food processing factories because of a shortage of chicks and eggs.

Pakistan's edible oil imports set to soar

BY MOHAMMED AFTAB IN ISLAMABAD

PAKISTAN'S edible oil imports will greatly increase for fiscal 1984-85 as a result of the setback in domestic cottonseed production and higher cooking oil consumption.

The country is at present in the market for around 200,000 tonnes for the current year. Most imports will flow from the U.S. and Brazil, which supply soybean oil as well as from Malaysia which sells its RBD (refined, bleached and deodorised) palm oil to Pakistan.

Pakistan's imports of edible oil, which were 495,000 tonnes in 1982-83, are estimated to rise to 760,000 tonnes in 1983-84. Trade sources say around 500,000 to 550,000 tonnes have already been ordered or imported. Imports in 1984-85 are expected to decline to 702,000 tonnes if the domestic cotton crop reaches the expected level of 5.2m bales.

Total edible oil requirements in 1982-83 were 525,000 tonnes which 135,000 tonnes were locally available. The demand for 1983-84 is 745,000 tonnes, of which only 44,000 tonnes are locally available. The country will need 800,000 tonnes in 1984-85, and farm experts hope 135,000 tonnes will be available within Pakistan.

The increased consumption is based on an 8 per cent annual growth in demand, but the total imports vary in line with the domestic availability of edible oils, mainly cottonseed oil. An undetermined quantity is also smuggled to neighbouring Afghanistan, and sometimes to India.

The domestic availability shrank to 44,000 tonnes this last year from 135,000 tonnes in 1982-83 as a result of the failure of the cotton crop, which was down by nearly 43 per cent on the production target of 5.2m bales due to a pest attack and bad weather.

The smaller quantity of cottonseed which is available has been hit by pests and bad weather, resulting in a lower-than-normal recovery of oil.

Pakistan's edible oil imports are financed to the extent of $100m to $110m a year under the U.S. Public Law 480, as well as by the U.S. Commodity Credit Corporation. The rest of the money is provided by Pakistan from its own foreign exchange resources.

The cooking oil, or hydrogenated oil, called vegetable ghee, is based on a blend of palm oil, soyabean oil, and cottonseed oil.

Pakistan imported 280,000 tonnes of soyabean oil in 1982-83, which will rise to 420,000 tonnes in 1983-84 but decline to 367,000 tonnes in 1984-85 in the light of the good cotton crop expected next year.

The RBD palm oil import in 1982-83 from Malaysia was 215,000 tonnes in 1982-83, which will rise to 340,000 tonnes in 1983-84 and marginally decline to 335,000 tonnes in 1984-85.

A major part of the hydrogenated vegetable ghee industry is state-owned in Pakistan. As a result, the Government has to keep a close watch on international prices of soyabean and palm oil.

Their worries on prices are two-fold: first, costly imports will mean arranging more of the scarce foreign exchange, and second, passing on the increased input costs to the consumers in the form of higher retail prices is politically sensitive.

Although the palm oil and soyabean oil prices have somewhat eased in recent months from the peaks reached at the start of the year, the Government is keeping a watchful eye on the global price trends. The Government increased the consumer prices of vegetable ghee last November at the rate of 20 U.S. cents a kg to a total of $1.04 a kilo, but it still pays a subsidy of $75m a year on edible oil and vegetable ghee sales to consumers.

Pakistan has 59 units — 26 of them state-owned and 33 operated by private business — to produce cooking oil and vegetable ghee.

Closing prices for the American markets were not available for this edition.

IFAD approves loans for agricultural projects

FINANCIAL TIMES REPORTER

THE International Fund for Agricultural Development has approved loans worth $48.5m (£34m) to help finance five projects in Africa, two in the Pacific Islands, two in the Near East and one in Latin America in addition to $9.2m in grants.

The announcement was made at the end of a three-day meeting of IFAD's executive board.

The loans are expected to benefit small farmers in order to increase their food production. The beneficiaries include the Central African Republic ($3.3m) for the Ombella rural development scheme; Comoros ($3.3m) for a rural services project; Gambia ($5m) for an agricultural development project; and the Ivory Coast ($2.8m) for the Artisanal fisheries development project in the Aby Lagoon.

Of the total $9.2m, eight international agricultural research centres will receive $6.5m to undertake research related to IFAD's activities, and two regional organisations in Africa and Latin America will receive $2.7m to carry out agricultural management training.

PRICE CHANGES

In tonnes unless stated otherwise	Apr. 9 1984	+ or −	Month ago
[illegible]	[illegible]	[illegible]	[illegible]

BRITISH COMMODITY PRICES

BASE METALS

[illegible]

NICKEL

[illegible]

COPPER

[illegible]

SILVER

[illegible]

TIN

[illegible]

LEAD

[illegible]

ZINC

[illegible]

ALUMINIUM

[illegible]

COCOA

[illegible]

COFFEE

[illegible]

GRAINS

[illegible]

WOOL FUTURES

[illegible]

COTTON

[illegible]

PIGMEAT

[illegible]

POTATOES

[illegible]

INDICES

FINANCIAL TIMES — REUTERS — MOODY'S — DOW JONES

[illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

MEAT/FISH

[illegible]

LONDON OIL

[illegible]

SPOT PRICES

[illegible]

GAS OIL FUTURES

[illegible]

CRUDE OIL FUTURES

[illegible]

GOLD MARKETS

[illegible]

LONDON FUTURES

[illegible]

EUROPEAN MARKETS

ROTTERDAM, April 9.

[illegible]

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar recovers from weak start

The dollar recovered from a weak opening on the foreign exchanges yesterday, and although closing in London slightly weaker than on Friday, it was around the highest levels of the day, and was soon showing gains in New York when London trading had finished. Events initially seemed to be moving against the dollar, but dealers appear to believe the currency is locked into a range of about DM 2.60 to DM 2.63 against the D-mark at present. A rise of ½ per cent to 9 per cent in the Federal Reserve discount rate on Friday, was less than some observers expected, but speculation that this may be followed by further upward moves lent support to the dollar, despite anticipation that this week's batch of U.S. economic statistics will indicate a slowdown in the recent fast growth rate. Fears that West German industry is about to be hit by a wave of strikes by the powerful metal-workers union also underpinned the dollar against European currencies, but comments from Dr Henry Kaufman of Salomon Brothers about a dramatic rise in U.S. rates came too late to influence London trading.

At the London close the dollar had fallen to DM 2.62 from DM 2.6220 against the D-mark; FFr 8.0575 from FFr 8.07 against the French franc; SwFr 2.1720 from SwFr 2.1750 in terms of the Swiss franc; and Y225.25 from Y225.30 against the Japanese yen.

On Bank of England figures the dollar's trade-weighted index fell to 127.0 from 127.2.

STERLING — Trading range against the dollar in 1983-84 is 1.6245 to 1.3955. March average 1.4564. Trade-weighted index 80.1, against 79.9 at noon, 80.0 at the opening, 79.8 at Friday's close, and 83.3 six months ago.

Sterling moved within a narrow range of $1.4295 to $1.4375. It opened at $1.4325-$1.4335, and closed at $1.4310-$1.4320, a rise of 30 points on the day. The pound also improved against other major currencies as concern about the implications of the miners' strike tended to ease. Sterling rose to DM 3.7525 from DM 3.7475; FFr 11.53 from FFr 11.5250; and Y322.75 from Y322, and was unchanged at SwFr 3.11.

D-MARK — Trading range against the dollar in 1983-84 is 2.8425 to 2.3320. March average 2.5967. Trade-weighted index 127.3 against 127.9 six months ago.

The D-mark was firmer against the dollar at yesterday's fixing in Frankfurt and there was no intervention by the Bundesbank. The dollar fell to DM 2.6159 from DM 2.6299 in relatively quiet trading, following a rise of only half a point in the U.S. discount rate. This could lead to excessive monetary growth later in the year, according to some sectors of the market and may force the U.S. Federal authorities to adopt a higher fiscal stance later in the year.

The D-mark failed to capitalise fully on the dollar's softer tone however, undermined by threatened industrial action by some West German unions. Within the EMS the French franc rose to DM 32.510 per FFr 100 from DM 32.495 and the Belgian franc was higher at DM 4.8940 from DM 4.8910 per BFr 100. Elsewhere sterling rose to DM 3.7460 from DM 3.7400 while the Swiss franc eased to DM 1.2060 from DM 1.2066.

DUTCH GUILDER—Trading range against the dollar in 1983-84 is 3.1900 to 2.5755. March average 2.9307. Trade weighted index 116.2 against 117.1 six months ago.

The guilder was firmer against the dollar at yesterday's fixing in Amsterdam but showed little overall change against its EMS partners. The dollar fell to Fl 2.9510 from Fl 2.9660, following a smaller than expected rise in the U.S. discount rate of only half a point to 9 per cent. Within the EMS the D-mark slipped to Fl 1.1278 from Fl 1.1282 while the French franc improved to Fl 36.665 per FFr 100 franc Fl 36.645. The Belgian franc was unchanged at Fl 5.5190 per BFr 100. Elsewhere sterling rose to Fl 4.2260 from Fl 4.2200.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 9	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.6120	+1.58	+1.51	±1.544
Danish Krone ...	8.14104	8.19967	+0.72	+0.65	±1.6425
German D-Mark	2.24184	2.23117	-0.48	-0.55	±1.0842
French Franc ...	6.87456	6.85376	-0.16	-0.23	±1.4052
Dutch Guilder ...	2.52595	2.51670	-0.40	-0.47	±1.4964
Irish Punt ...	0.72569	0.72889	+0.44	+0.37	±1.6699
Italian Lira ...	1403.49	1381.11	-1.59	-1.59	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ in New York

£ forward rates are quoted in U.S. cents discount.

THE POUND SPOT AND FORWARD

Belgian rate is for convertible francs. Financial franc 79.20-79.30. Six-month forward dollar 1.40-1.45c dis. 12-month 3.15-3.25c dis.

THE DOLLAR SPOT AND FORWARD

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 56.35-56.40.

OTHER CURRENCIES

* Selling rates.

CURRENCY MOVEMENTS

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

*CS/SDR rate for April 6: 1.35317.

EXCHANGE CROSS RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

Asian $ (closing rates in Singapore): Short-term 10⅝-10¾ per cent; seven days 10$^{9}_{16}$-10$^{11}_{16}$ per cent; one month 10¾-10⅞ per cent; three months 10$^{13}_{16}$-10$^{15}_{16}$ per cent; six-months 11$^{1}_{16}$-11$^{3}_{16}$ per cent; one year 11½-11⅝ per cent. Long-term Eurodollars two years 12⅛-12⅜ per cent; three years 12⅝-12⅞ per cent; four years 12⅞-13⅛ per cent; five years 13⅛-13⅜ per cent nominal closing rates. Short-term rates are call for U.S. banks and Japanese yen; two days' notice.

FINANCIAL FUTURES

Eurodollars firm

Euro-dollar prices finished up from Friday' levels but down from the day's highs in the London International Financial Futures Exchange yesterday. There had been little reaction in U.S. markets on Friday to a half point rise in the U.S. discount rate to 9 per cent with such a move already discounted, and had prompted many people to sell short in anticipation.

Consequently there was a move back into Euro-dollars with opening values marked higher and underpinned by hopes of a lower Federal funds rate. The latter failed to show any significant fall, however, and U.S. markets came in as sellers largely as a result of the Fed funds rate. Prices rallied slightly towards the close helped by predictions of a fall in money supply this week and pointers that this week's set of economic statistics may show a slowdown in the growth of the U.S. economy. There were also hopes that the Fed may add permanent reserves to the system later this week.

The extent of any recovery in futures prices may be limited however. The half point rise in the discount rate contrasted with expectations of a full one point increase and one of the questions circulating the market yesterday was not whether but when would the rate be increased again. The June Euro-dollar price opened at 89.02, up from 89.00 and touched a high of 89.08 before coming back to a low of 88.99. It closed at 89.03.

Gilt prices traded within a narrow band in a market lacking any positive trend. News of a 1 per cent rise in the Producer price index in March was countered by a 0.9 per cent fall in manufacturers' costs. The June gilt price opened at 108-29 and closed at 109-01 compared with Friday's close of 108-22.

LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
June	89.03	89.08	88.99	89.00
Sept	88.58	88.65	88.55	88.55
Dec	88.19	88.25	88.17	88.14
March	87.83	—	—	87.80
June	87.53	—	—	87.50

Volume 4,620 (3,727)
Previous day's open int. 15,150 (15,122)

THREE-MONTH STERLING DEPOSIT

20-YEAR 12% NOTIONAL GILT

CERT. DEPOSIT (IMM)

STERLING £25,000 $ per £

DEUTSCHE MARKS

SWISS FRANCS

JAPANESE YEN

CHICAGO

U.S. TREASURY BONDS (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	66.12	66-22	66.10	66-10
Sept	65-25	66-04	65-24	65-24
Dec	65-10	65-19	65-09	65-09
March	—	65-03	64-27	64-27
June	64-17	64-23	64-17	64-15
Sept	64-06	64-12	64-06	64.04
Dec	63-28	64-02	63-28	63-26

U.S. TREASURY BILLS (IMM)

THREE-MONTH EURODOLLAR (IMM)

STERLING (IMM) $ per £

GNMA (CBT)

MONEY MARKETS

London rates easier

Interest rates had a slightly easier tone on the London money market yesterday, encouraged by the improvement of sterling on the foreign exchanges, and Friday's easing of upward pressure on New York interest rates.

The Federal funds overnight rate was around 10⅝ per cent in early New York trading yesterday, after rising to nearly 11 per cent at one time last week, but falling to 10 per cent at the close on Friday. A rise of ½ per cent to 9 per cent in the Federal Reserve discount rate was perhaps slightly less than expected in some quarters, and against this background three month sterling interbank fell to 8⅞ per cent from 8$\frac{15}{16}$ per cent, while discount houses buying rates for three-month eligible bank bills were unchanged at 8$\frac{11}{16}$ per cent.

UK clearing banks' base lending rate 8½-8¾ per cent (since March 15 and 16)

The Bank of England forecast a market shortage of £500m, but this was later revised to around £450m, at noon, and finally at £400m in the afternoon. Total help provided by the authorities was £431m, mostly by way of bill purchases before lunch. In the morning the Bank of England bought £406m bills outright by way of £9m bank bills in band 1 (up to 14 days maturity) at 8$\frac{9}{16}$ per cent; £15m bank bills in band 2 (15-33 days) at 8½ per cent; £8m bank bills in band 3 (34-63 days) at 8$\frac{7}{16}$ per cent; £5m Treasury bills in band 4 (64-91 days) at 8⅜ per cent; and £369m bank bills in band 4 at 8⅜ per cent.

There was no further intervention through bill purchases in the afternoon, but the authorities also provided late assistance of £25m.

Bills maturing in official hands, repayment of late assistance, and a take-up of Treasury bills from Friday's tender drained £422m, while Exchequer transactions absorbed £270m, and bank balances below target another £50m. These factors outweighed the usual Monday fall in the note circulation of £270m.

In Brussels the Belgian National Bank lowered the rate on one-, two- and three-month Treasury bills by ¼ per cent to 12 per cent, bringing the rates for short-term paper into line with the somewhat easier rates for Belgian franc deposits on the interbank market.

MONEY RATES

Apr. 9	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.5-5.6	12	1½-2⅛	5⅞-6	6.03125	16⅞-17¼	10.45	11¾-12
One month	5.6-5.7	12⅜-12½	3¼-3⅜	6⅛-6¼	6.21875	16⅞-17¼	11$\frac{9}{16}$-11$\frac{11}{16}$	12½-12⅝
Two months	5.65-5.80	12$\frac{7}{16}$-12$\frac{9}{16}$	—	—	—	—	—	12$\frac{11}{16}$-12$\frac{13}{16}$
Three months	5.75-5.90	12½-12⅝	3$\frac{7}{16}$-3$\frac{9}{16}$	6$\frac{7}{16}$-6$\frac{9}{16}$	6.28125	17⅛-17½	11$\frac{11}{16}$-11$\frac{13}{16}$	12¾-12⅞
Six months	5.85-6.00	12$\frac{11}{16}$-12$\frac{13}{16}$	—	6¼-6⅜	—	—	11$\frac{11}{16}$-11$\frac{13}{16}$	12⅞-13⅛
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	12	—	6⅛	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

ECGD Fixed Rate Export Finance Scheme IV. Average Rate for interest period March 7 to April 3 1984 (inclusive): 8.976 per cent.

MONEY RATES

NEW YORK (Lunchtime)

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING
(11.00 a.m. April 9)

3 months U.S. dollars	
bid 10 3/4	offer 10 7/8
6 months U.S. dollars	
bid 11	offer 11 1/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

WORLD VALUE OF THE POUND

INTERNATIONAL CAPITAL MARKETS

$100m credit for Portugal's electric utility

By Peter Montagnon, Euromarkets Correspondent

ELECTRICIDADE de Portugal, the electricity utility, is raising $100m in the Euromarkets through a seven-year loan facility, half of which is to be denominated in European Currency Units (Ecu).

Led by Bankers Trust and Banque Indosuez, the facility involves the regular sale of short-term, six-month loans which will be underwritten by a small group of banks. It is similar in format to revolving underwriting facilities but bears two marked distinctions in that the short-term loans will not be negotiable and will not count as marketable securities.

Instead, Bankers Trust will effectively re-syndicate the facility every six months. At each issuing date underwriters will be able to choose initially how much of the paper they want to take on their own books.

One objective is to encourage more banks to become familiar with Ecu business. Small banks which are reluctant to take on a seven-year commitment in Ecus can participate in the credit for six months at a time.

EUROBONDS

EIB takes advantage of modest recovery

By Mary Ann Sieghart in London

A SMALL rally in Eurodollar bond prices allowed the European Investment Bank to launch a $200m fixed-rate bond yesterday. Originally scheduled for last week, the issue was postponed because of poor market conditions.

The deal is split into two tranches: one for six years with a 12½ per cent coupon, and one paying 12¾ per cent for 10 years. Both are priced at 99½. Deutsche Bank is running the books and co-lead managers are Banque Nationale de Paris and SBC International.

Considering the overhang of new fixed-rate issues from last week, both tranches traded remarkably well at 1¾ per cent discounts. Also, surprisingly, the long tranche was slightly more popular than the short one.

Japan Synthetic Rubber is raising $30m through a five-year bond with equity warrants. It has an indicated 7¾ per cent coupon, which will be finalised on April 17. Lead managers are Yamaichi International, IBJ International and BHF-Bank.

BHF Bank bond average		
April 9		Previous
99.596		99.565
High	1983-84	Low
100.09		98.056

Today should see the launch of a five-year floating rate note for InterFirst Bank. Led by Goldman Sachs, the issue will apparently rank as senior debt, one step up from the more usual subordinated debt.

The dollar secondary market was very quiet yesterday. The New York market rallied late on Friday night after news that the discount rate had been increased by only ½ per cent, and this pushed up Eurodollar bond prices by ⅛–¼ point.

Daikin Industries, the Japanese airconditioning company, is raising DM 60m through a seven-year convertible led by West-LB. The coupon is expected to be 3¼ per cent and the conversion premium, 5 per cent. Terms will be fixed on April 17, and the bond traded around par.

The Asian Development Bank issued its 13th Samurai bond yesterday – a Y25bn, 12-year bond paying a 7.3 per cent coupon at a price of 99.7. Nikko Securities is lead manager.

Tobu Railway Company is raising SwFr 100m through an eight-year bond with equity warrants. Guaranteed by Fuji Bank, it has an indicated 4¼ per cent coupon and will be priced by SBC on Thursday.

Markets in Zurich were closed yesterday and prices of Swiss franc bonds in Basle were unchanged in very quiet trading. In Germany, turnover was also low, with little change in prices. Dealers say investors are waiting for a weaker dollar or a rally in the U.S. domestic market.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for April 9.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alaska Housing 11¾ 94	100	[illegible]	[illegible]	[illegible]	[illegible]	12.65
Australia Comm 11⅝ 90	100	[illegible]	[illegible]	[illegible]	[illegible]	11.47
Australia Comm 11½ 95	300	[illegible]	[illegible]	0	[illegible]	12.72
Australia Comm 11⅝ 90	100	[illegible]	[illegible]	[illegible]	[illegible]	12.76
Australian Ind Dev 11 89	75	[illegible]	[illegible]	[illegible]	[illegible]	12.53
Bank Of Tokyo 11⅞ 90	100	[illegible]	[illegible]	[illegible]	[illegible]	12.80
Beneficial O/S Fin 12 91	100	[illegible]	[illegible]	[illegible]	[illegible]	13.25
Britoil Fin 11⅞ 98	125	[illegible]	[illegible]	[illegible]	[illegible]	12.77
Canada 10⅞ 88	500	[illegible]	[illegible]	[illegible]	[illegible]	11.53
C.C.C.E. 12⅝ 95	75	[illegible]	[illegible]	0	[illegible]	13.18
Chicorp O/S 10⅞ 90	100	[illegible]	[illegible]	[illegible]	[illegible]	12.73
D.N.C. 11¾ 91 WW	50	[illegible]	95	0	[illegible]	12.93
D.N.C. 11¾ 91 XW	50	[illegible]	94	[illegible]	[illegible]	13.17
Denmark Kingdom 12 91	100	[illegible]	[illegible]	[illegible]	[illegible]	13.04
Denmark Kingdom 12¼ 93	100	[illegible]	[illegible]	[illegible]	[illegible]	12.86
Digital Equip 11¾ 89	150	[illegible]	[illegible]	[illegible]	[illegible]	12.27
Dutch Mines 11⅞ 91	150	[illegible]	[illegible]	[illegible]	[illegible]	12.72
E.D.C. 11⅝ 89	150	95	[illegible]	[illegible]	[illegible]	12.46
E.E.C. 12 93	50	[illegible]	[illegible]	[illegible]	[illegible]	12.58
E.I.B. 11½ 90	200	[illegible]	[illegible]	[illegible]	[illegible]	12.74
Eksportfinans 11½ 90	100	[illegible]	[illegible]	[illegible]	[illegible]	12.87
Gen Elec Credit 11 91 WW	200	[illegible]	94	[illegible]	[illegible]	12.38
GMAC O/S Fin 11¾ 90	100	96	[illegible]	0	[illegible]	12.21
Gulf & Western 12⅝ 89	100	[illegible]	[illegible]	—	—	12.80
I.I.I. 12 88	100	[illegible]	[illegible]	[illegible]	[illegible]	12.85
Indust Bk Japan 11½ 88	125	[illegible]	[illegible]	[illegible]	[illegible]	12.52
Indust Bk Japan 11⅞ 91	100	[illegible]	[illegible]	[illegible]	[illegible]	12.89
Int Paper O/S Fin 12 91	75	98	[illegible]	[illegible]	[illegible]	12.38
ITT Finance 11½ 88 WW	125	[illegible]	[illegible]	[illegible]	−1¼	12.18

CONVERTIBLE BONDS (continued)	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Murata 3½ 98	2/84	2938	[illegible]	[illegible]	[illegible]	26.37
Nippon Oil Co 3¼ 99	3/84	1052	[illegible]	[illegible]	−2	−2.93
Nippon Oil Co 5½ 98	4/83	984	129	130	[illegible]	−3.06
Nissan Motor 5¼ 98	4/83	769	115	116	[illegible]	11.45
Olympus Optical 6¾ 97	12/82	1157.4	[illegible]	[illegible]	[illegible]	11.22
Ono Pharm'cal Co 3¼ 98	3/84	[illegible]	[illegible]	[illegible]	[illegible]	3.47
Orient Leasing 5¼ 98	6/83	[illegible]	143	144	0	[illegible]
Secom 5 98	11/83	2920	[illegible]	[illegible]	[illegible]	[illegible]
Yamaichi Sec Co 5 98	8/83	449.5	133	134½	[illegible]	[illegible]
Yamanouchi Pharm'cal 4 98	10/83	[illegible]	[illegible]	[illegible]	[illegible]	27.45
Nippon Airway 2¾ 94 SF2/84	354	*	100	102	[illegible]	−1.95
Nippon Shinpan Co 2 92 SF3/84	[illegible]	*	[illegible]	[illegible]	[illegible]	21.19
Sanyo Paper 2¼ 92 SF4/84	877	*	[illegible]	[illegible]	[illegible]	−3.42
Asics 5 92 DM	12/83	528	[illegible]	[illegible]	[illegible]	24.35
Sun Realty 6⅝ 92 DM	2/83	365	[illegible]	[illegible]	[illegible]	[illegible]

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev Bk 7⅝ 94	15	[illegible]	[illegible]	0	0	7.28
Eurofima 7⅝ 94	10	[illegible]	101	0	0	7.26

* No information available–previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date = Date next coupon becomes effective. Spread = Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn = current coupon. Cu. yld = current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.